

# FOUR LEGS OF PROTECTION FOR HEALTHTRUST MEMBERS AND PARTICIPANTS

There are four legs of protection for HealthTrust members and participants to ensure claims are paid:

1. **Yearly Contributions:** Set by the Board of Directors with the aid of actuaries, consultants and staff and based on trends, claims and administration
2. **Members' Balance Designated (RBC):** An amount of money set aside (called Risk Based Capital, RBC) established by board vote using an industry formula to prevent insolvency and protect members
3. **Reinsurance:** A policy purchased in case claims exceed a certain limit
4. **Members' Balance Undesignated:** A pool of reserves above RBC used to moderate rate fluctuations and to further protect the Trust's ability to pay claims

