

CASE STUDY

Real Estate Firm Weeds Out Costly Medical Plan by Joining HUB's Private Cannabis Captive

Executive Summary

A Colorado real estate and property management firm with assets in cannabis got hit hard with a significantly high renewal rate. Prescription claims soared after a dependent child was diagnosed with a blood disorder that devastated the medical plan performance. HUB stepped in with its private Cannabis Captive that provided a more sustainable alternative for the company.

Real Estate and Property Management firm

INDUSTRY: Real Estate

BUSINESS: Leases several warehouse and retail properties to cannabis growers and retailers

LOCATION: Denver, CO

SIZE: 120 employees

CHALLENGE

Pharmaceuticals for the child's condition accounted for more than \$200,000 in annual prescription claims, which resulted in a substantial increase on the company's health insurance renewal. Other carriers declined to provide quotes because of the high costs of specialty medications.

SOLUTION

By participating in HUB's Cannabis Captive, the real estate firm received the flexibility necessary to carve out its pharmacy plan, which included giving employees access to the drug manufacturer's grant assistance program that is designed to reduce specialty medication costs.

RESULTS

Not only was the child approved for the grant assistance program, but the company's annual specialty prescription claims dropped from \$200,000 to \$5,000. Overall, HUB's Cannabis Captive saved the firm more than \$200,000 a year in specialty prescription claims, reduced annual reinsurance premium by \$214,000 and saved an additional \$62,000 in fixed costs. HUB's captive strategy has enabled the real estate company to secure a more stable renewal trajectory for the future.

"These specialty prescription claims are destroying our ability to perform well and get a decent renewal; or any meaningful alternatives."

CEO | Real Estate firm with assets in cannabis - before joining HUB's Cannabis Captive

Cannabis Captive
With Grant Assistance
for Prescriptions



Reduced Annual
Reinsurance
Premium



Additional
Savings in
Fixed Costs



**Greater Flexibility
and Renewal
Stability**

A captive is best suited for employers with stable claims experience and a predictable cash flow. To learn if this solution is right for your company, contact a HUB benefits consultant.

hubinternational.com/cannabis