



Safe and Simple Fixed-Cost Self-Funded Medical Coverage Plus Refund Assisters

Overview

April 1, 2020

Disclaimer

But first a word from our lawyers:

This presentation summarizes information concerning the benefits, networks, underwriting and other elements of the Secure Plans. It is not a controlling document and does not supersede the most current versions of The Secure Plans Underwriting Guide, Summary of Benefits and Coverage, Summary Plan Description and the stop-loss policies. All information in this presentation is subject to change without notice. It is intended for brokers, not employers or employees.

**In other words, we've tried to be accurate.
If it's wrong we apologize, but it's not binding.**

What Employers Want

Something different ... and better

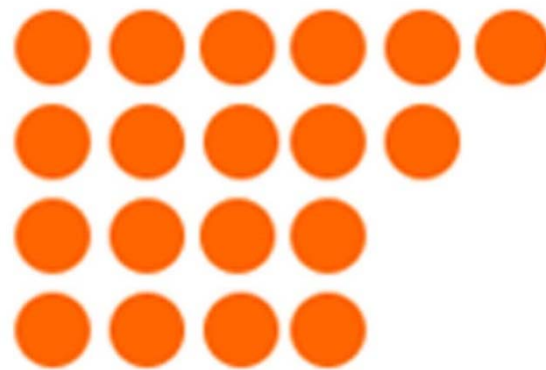
An advantage

Something like fixed-cost, self-funded plans

Like the safe and simple Secure Plans

Self-Funded Made Simple

Self-Funded can be complicated ...



... but it doesn't have to be

Why Consider Self-Funding

Claims lower than expected = refund

Claims higher than expected = stop-loss

Heads clients win. Tails they don't lose



It's that simple

Agenda

1. Self-Funded Basics and Key Terms
2. The Secure Plans Overview
3. Plan Designs and Underwriting
4. The Referenced Based Pricing Option
5. Quoting and Enrolling
6. The Team
7. Resources: www.SecurePlans.Info



SELF-FUNDING BASICS AND KEY TERMS

Self-Funded Basics: Part I

Traditional Insurance:

- **State** regulation
- **Insurer** pays claims – keeps surplus

Self-Funded Programs:

- **Federal** regulation
- **Employer** pays claims – keeps surplus



8 Key Terms

Claims Fund ... 1

Claims Surplus ... 2

Stop-Loss or Excess-Loss Coverage ... 3

- Specific Stop-Loss ... 4
- Aggregate Stop-Loss ... 5

Attachment Point ... 6

Contract Period ... 7

Run-Out ... 8



Key Terms

Claims Fund: money set aside by employers to pay claims

Claims Surplus: money remaining in the claims fund after the contract period



Key Terms

Stop-Loss or Excess Loss Coverage: shields plan sponsors (employers) from excessive claims

- **Specific:** caps claims on any one individual
- **Aggregate:** caps overall claims

Attachment Point: the claim amount at which stop-loss coverage kicks-in

- Like a deductible for stop-loss coverage



Key Terms

Contract Period: time period during which eligible claims must be incurred and paid for to be covered by excess loss carrier

- Expressed by two number: aa/bb
 - First defines plan year (usually 12)
 - Second defines claim payment deadline
12/12 12/15 12/18 12/24
- **Run-Out:** the difference between numbers
 - 12/18 has a six month **run-out**
 - 12/24 has a 12 month **run-out**



Traditional Self-Funding: Employer replenishes claim fund as claims are paid out

Fixed-Cost* Self-Funding: Employer pays fixed monthly **payment** regardless of claims paid

Fully-Insured Plans: Employer pays fixed monthly **premium** regardless of claims paid

* Also known as “Level Premium Self-Funding



Self-funding Basics: Part II

Traditional Insurance:

- State-by-state plan design
- Subject to all ACA fees and premium tax

Self-Funded Program:

- Can offer one plan nationwide
- Pay premium tax only on excess-loss coverage



Fixed-Cost Self-Funded

Can look like traditional health plans

	Traditional Fully Insured	Fixed-Cost Self-Funded
Comprehensive Medical Coverage	✓	✓
Fixed Monthly Employer Costs	✓	✓
So far so simple		

The Fixed-Cost Self-Funded Advantage

What makes them different makes them better

	Traditional Fully Insured	Fixed-Cost Self-Funded
Protects Employers When Claims Higher Than Expected	✓	✓
Who Gets Surplus When Claims Less Than Expected	Insurer	Employer

Heads you win. Tails you don't lose.



The Secure Plans

Safe and Simple
Fixed-Cost Self-Funded Medical Coverage
with Refund Assisters
that improve the health of **employees**
and the bottom line of **employers**

The Secure Plans Position

Self-funding with training wheels

- Safe and comfortable way for clients to start self-funding medical coverage

Mimics traditional insurance while delivering benefits of self-funding

Safe and Simple

Safe	Administrative Services: Group Resources, Inc.
	Stop-Loss Coverage: AM Best Rated "A" or higher
Simple	9 PPO Plans plus optional Referenced Based Pricing
	1 Medical Network: Cigna (PHCS if RBP Selected)
	1 Pharmacy Network: OptumRx
	1 Contract Period (12/18)

Fixed-Cost, Self-Funded

Fixed-Cost	<ul style="list-style-type: none">• Level premium payments• Composite rates• Claim costs advanced if exceed employer's payments to-date
Self-Funded	<ul style="list-style-type: none">• Employer finances claims• Stop-loss coverage caps employer risk (both specific and aggregate coverage)

Our Plans vs Traditional Level Premium Plans

	Other Level Premium Plans	Protect and Secure Plans
Fixed Monthly Costs	✓	✓
Claim Surplus Refund	Partial-to-100%	100%
Offer Refund AssistersSM	?	✓

Why Refund Assisters Matter

Level-funded plans **offer** the chance to earn claim surplus refunds

The Secure Plans help **deliver** them

Refund Assisters: Wellness

- \$100 Wellness rewards for employees and spouses completing annual preventive exam
- Wellness campaign assistance
- Preventive care paid at 100%
- Smoking cessation programs
 - Co-Pay Plans: \$25 co-pay
 - HSA Plans: 80% after deductible

Refund Assisters: Telemedicine

A low-cost, quality alternative to an in-office doctor visit that's convenient, private, and fast using board certified, US-based physicians.



Refund Assisters: Expense Review

Review of claim payments including:

- Payment timeliness review
- Subrogation
- Pharmacy data review
- Medicare-primary claims
- Claim audit monitoring

INSURGENCY
benefits



PLAN DESIGNS AND UNDERWRITING

Secure Co-Pay Plans

	Co-Pay 500	Co-Pay 1000	Co-Pay 2000	Co-Pay 3000	Co-Pay 4000	Co-Pay 5000
Deductibles	\$500	\$1,000	\$2,000	\$3,000	\$4,000	\$5,000
Annual Max	\$1,500	\$3,000	\$4,000	\$5,000	\$6,000	\$7,000
Family	2x					
Co-Insurance	90/10	80/20				
Office Visit	Primary Care: \$25 / Specialty: \$50 / Telemedicine: \$10					
Prescriptions	In-Network Only Apply to medical deductible and out-of-pocket maximums					
Generic	\$10					
Brand	\$35					
Non-Formulary	50%					
Specialty	35% up to \$300 co-pay per prescription					

Contract Period: 12/18

Lifetime Benefit: Unlimited

Secure HSA-Compatible Plans

	HSA 3000	HSA 4000	HSA 5000
Deductibles	\$3,000	\$4,000	\$5,000
Annual Max	\$5,000	\$5,500	\$6,000
Family	2x		
Co-Insurance	80/20		
Office Visits	20% after deductible / Telemedicine: \$10 after deductible		
Prescriptions	In-Network Only Apply to medical deductible and out-of-pocket maximums		
Generic	\$10		
Brand	\$35		
Non-Formulary	50%		
Specialty	35% up to \$300 co-pay per prescription		

Contract Period: 12/18

Lifetime Benefit: Unlimited

Optional Referenced Based Pricing

- PPO for physicians and specialists
- No networks for facilities and specified services such as durable equipment
 - Reimbursed at a percentage in excess of Medicare instead of at a negotiated rate
- Patient education and advocacy through Payer Compass

Participation Requirements

Participation	Secure Plans
Groups 25-to-50 employees	75%
Groups 51+ employees	60%
Factors	51% with proof of spousal waivers
HMO Combination	
Available	Yes
Factors	Employees enrolling in HMO are considered eligible
Employee Choice	
Plans available	25-to-40 employees: Up to four plans 40 or more employees: Up to eight plans
Cigna Takeover	
Prior Approval Required	Prior to quoting

Underwriting: Availability

Geography	Secure Plans
States	All States Except NY and DC
Group Size	
Minimum	25 or more employees or State law
Maximum	No limit
Retirees	
Eligible groups	25+ employees
Maximum percent retirees	10% of all retirees 10% non-Medicare retirees
Eligible as employee class	NA
Disclosure	Prior to underwriting



QUOTING AND ENROLLING

Getting Quotes, Submitting Sales

Quotes: manual rates or

- Claims history* preferred
- Current and renewal rates

Enrollment: individual health questions or

- Claims history
- Current or renewal rates
- Applications from other carriers usually acceptable

Methods:

- Interactive PDF, telephonic or online (EasyApp Online)
- Telephonic enrollment and underwriting available at no cost

** Prefer prior two years of claims, coverage, enrollment and shock claims*

A Word About ACA Fees

ACA Fees are not included in monthly payments

- Patient-Centered Outcomes Research Institute (PCORI) Fees
- Employer is responsible for funding this fee outside of the fixed monthly payments



THE TEAM

Group Resources

- The Secure Plan third party administrator
- Handles operational aspects including
 - Enrollment
 - Billing
 - Customer services
 - Claims
 - Compensation

Broad, Strong Networks

Standard PPO Medical: Cigna Choice Fund PPO

- Need approval for existing Cigna groups

Optional RBP Medical: PCHS PPO

- From MultiPlan

Prescriptions: Optum Rx

Dependable Stop-Loss Coverage

Stable and proven excess-loss carriers

- Carrier varies by group size and/or state
 - All are A.M. Best “A” rated carriers or better unless otherwise noted
 - All with deep experience providing excess-loss coverage

Experienced, Fair Underwriting

- Underwriters assure fair and appropriate pricing.
- Their relationship with leading stop-loss carriers results in a seamless experience for employers
- The underwriters are responsible for:
 - Quoting
 - Underwriting
 - Policy issuance
 - Stop-loss claim services

Insurgency Benefits

Insurgency Benefits is responsible for plan design, program oversight and coordination, sales support, marketing, training, and expense review



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RESOURCES

Secure Plans: Resources

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Safe and Simple
Fixed-Cost Self-Funded Medical Coverage Plus
Refund Assisters



APPENDIX:
ACA REPORT DATA,
SPECIAL CONSIDERATION INDUSTRIES AND
WORK FLOW

A Word About ACA Fees

ACA Fees are not included in monthly payments

TPA facilitates fee calculation and payment

- Employer is responsible for funding these fees outside of the fixed monthly payments

May be required to submit more information to be considered or may be considered ineligible

- Asbestos Products
- Commercial Sports
- Explosives
- Legal Services
- Long Haul Trucking
- Medical Services
- Metal/Coal Mining
- Oil and Gas Exploration/Extraction
- Religious Organizations
- Tobacco Stores and Stands/Tobacco Products

Workflow: Quoting

- Company name, address and industry
- Effective date desired
- Employee census
 - Birth date, gender, dependents, zip code
- For preliminary rate include:
 - Claims and census history for past 24 months if available
 - Shock loss history if available

Please see Quoting Checklist and Underwriting Guide for complete details

Workflow: Enrollment

- Employer and Employee enrollment forms
- Signed rating sheet(s)
- Current carrier billing
- First month's premium and claims funding
- PHI Release
- Wage & Tax Report
- COBRA information if appropriate
- Claims history if available
 - Covering 60-days prior to effective date
- Final employer disclosure

Please see Submission Checklist and Underwriting Guide for complete details