



DENTAFITS, Inc. *Established 1979*

Stop Loss Insurance for Dental and/or Vision Group Benefit Programs

FREQUENTLY ASKED QUESTIONS

- 1) Q. What kind of Stop Loss coverage is offered and is it offered on all plans?**
*A. We offer **Aggregate** Stop Loss coverage for Self-Funded Dental and/or Vision Group Benefit Plans, on either a 12/12 or 12/15 basis. We do not offer Specific Stop Loss Insurance. We typically require a significant contribution by the Employer towards the cost of the benefit program and significant participation by the Employees. We do not customarily offer Stop Loss Insurance on Voluntary (Employee pay all) Plans but will consider them on a case by case basis. We may not be able to offer coverage for Dual/Multiple Choice plans. The Carrier reserves the right to refuse to provide coverage when, in their judgment, an inappropriate level of risk exists or a true Employer/Employee relationship is not present.*
- 2) Q. What is the difference between a 12/12 and a 12/15 program?**
A. The 12/12 program requires that all claims be incurred and paid within the 12-month contract period. The 12/15 program requires that all claims be incurred within the 12-month contract period but paid within 15 months (3 month run-out period).
- 3) Q. What does Dual/Multiple Choice mean?**
A. These are arrangements that allow the Employee the option of selecting from a menu of benefit plans. A typical menu would be a Capitated Option (EPO/DHMO), a Preferred Provider Option and an Indemnity (any provider) Option. The adverse selection that develops, mainly due to pricing differences between the Options, does not lend itself to Stop Loss underwriting consideration.
- 4) Q. What are the Minimum Annual Premiums?**
A. The Minimum Annual Premium for a 12/12 case is \$1,500. The Minimum Annual Premium for a 12/15 case is \$3,000.
- 5) Q. When is the Premium due?**
A. At least 95% of the Estimated Annual Premium must be submitted with the signed Preliminary Application. Prior to the Anniversary Date, we will request the "balance" of the earned premium. For Stop-Loss cases with Premiums in excess of \$50,000, we will consider an alternative payment arrangement.
- 6) Q. How small of a group can be underwritten?**
A. Many States restrict Stop Loss Insurance to groups with 50 or more employees. Also, due to Minimum Annual Premium and Aggregate Attachment Point Requirements, a prospect with less than 50 Employees can be a difficult sell.
- 7) Q. What is the Minimum Aggregate Attachment Point?**
A. The Minimum Aggregate Attachment Point is typically 125% of anticipated claims.
- 8) Q. What are the Maximum and Minimum Annual Benefits?**
A. The Maximum Stop Loss Benefit is typically one times the Annual Aggregate Attachment Point. The Minimum Benefit, no matter how small the group is \$50,000. A Maximum Benefit in excess of \$1,000,000 requires prior approval from the home office.

- 9) **Q. How do I add Vision benefits to the Dental Program?**
A. We would need information on all vision services to be covered, plus all other standard underwriting data such as group size, employer contribution, etc. When vision is offered in conjunction with a dental plan, the Minimum Aggregate Attachment Point reflects both risks. We also offer Stop Loss Insurance for Vision Benefits on a freestanding basis.
- 10) **Q. How do I request a Quote?**
A. Submit a completed Request for Quote ("RFQ") form along with the "requested documents". The RFQ is available on our website at www.dentafits.com and can be downloaded and printed or filled out and submitted electronically. Or, we will gladly mail, fax or e-mail the RFQ form to you.
- 11) **Q. When is the Stop Loss Insurance confirmed?**
A. A Confirmation of Insurance (Binder) is issued upon receipt of the signed Preliminary Application, at least 95% of the Estimated Annual Premium and a current Employee roster.
- 12) **Q. When is the Stop Loss Policy issued?**
A. The Stop Loss Insurance Policy is issued after all of the following have been received and reviewed; the signed Preliminary Application, a check in an amount equal to at least 95% of the Estimated Annual Premium and the Summary Plan Description ("SPD") for the group.
- 13) **Q. Who is responsible for "funding" claims?**
A. The Employer is responsible for "funding" all claims, even for claims in excess of the Attachment Point. The Stop Loss Policy will "reimburse" the Employer at the conclusion of the contract period for claims "incurred and paid" during the contract period that are in excess of the Attachment Point. Reimbursement is made after receipt and review of paid claims data to verify incurred/paid dates and plan maximum limits. In an extreme situation, we may require a claims audit prior to paying the Stop Loss Reimbursement. We do not offer a Monthly Accommodation arrangement.
- 14) **Q. How is the Attachment Point determined?**
A. The sum of all the Monthly Aggregate Attachment Points for each month of the Policy Year will be the Annual Aggregate Attachment Point under the policy. However, the Annual Aggregate Attachment Point will never be less than the Minimum Aggregate Attachment Point shown in the Schedule of Stop Loss Insurance.
- 15) **Q. Are claims and enrollment data required after the Stop Loss Policy is in place?**
*A. We require the Plan Administrator to provide **monthly enrollment** and **paid claims** data and we will provide the Plan Administrator with the appropriate form. The monthly reporting of enrollment/paid claims data is required by the Carrier and is utilized in computing the Renewal Attachment Factors.*
- 16) **Q. What happens if the employee enrollment changes?**
A. In those instances where the employee population changes dramatically during the course of the policy period additional premium may be required. Any additional premium required is due within 30 days of notification.
- 17) **Q. Is the Plan Administrator paid by Dentafits?**
A. In consideration of providing the required monthly reports, we customarily pay the Plan Administrator an "Administrative Allowance". For Stop Loss cases where premiums are in excess of \$50,000 the Administrative Allowance is negotiated.

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