



Self Insured Plans LLC

Discover the Benefits™



SMALL GROUP PARTIALLY SELF FUNDED HEALTH PLANS

SIP Healthy Partners™

SIP Healthy Partners[™]

FREQUENTLY ASKED QUESTIONS

How much does the plan cost?

The majority of the employers accepted on the *SIP Healthy Partners*[™] plan immediately realize monthly savings over their current plan. Also, if claim expenses are less than normal, you will have even greater savings.

What type of plans do you offer?

SIP Healthy Partners[™] has in-network coinsurance levels of 100% to 50% and deductibles between \$250 and \$5,000, access to national PPO networks, and a variety of consumer directed health plans including HRA and HSA plan designs. The plans offered under the Spaggregate stop loss program have no reasonable plan design limitations and include our Monthly Family Deductible options.

What type of financial protection is available?

All *SIP Healthy Partners*[™] plans include either Specific or Aggregate stop loss protection or Spaggregate stop loss protection, as explained above.

Is partial self funding better than insured?

If you have historically had favorable claims experience, you could save a significant amount of premium. However, if your group has serious, on-going medical issues, a fully insured alternative will likely be better for your group.

What type of reporting is available?

You will receive monthly, high level management reports that will allow you to make informed decisions regarding your plan of benefits.

How does the application process differ from fully insured?

Depending upon your state of residence, the process may not differ from fully insured. Each employee will complete a short form, confidential medical application. This form will ask questions regarding health history, hospitalizations and current prescriptions. However, there is no individual underwriting.

What else should I know?

The *SIP Healthy Partners*[™] is a partially self funded benefit plan which is governed principally by the federal Employee Retirement Income Security Act (ERISA). This brochure provides a general outline of the *SIP Healthy Partners*[™] program and the associated stop loss insurance programs. For a more detailed explanation, including limitations and exclusions, please refer to your benefit plan and stop loss documents.

How do I get started?

Please call 239-403-7884, extension 814, and ask for a *SIP Healthy Partners*[™] representative or email us at patrick@selfinsuredplans.com.



Self Insured Plans LLC
Discover the Benefits[™]

To find out if you qualify...

For more information on *SIP Healthy Partners*[™], call 239-403-7884, extension 814 or email patrick@selfinsuredplans.com

SELF FUNDING

Customized for Small Employers

Large employers have many alternatives available to them for the financing and design of their employee benefit plans which allow them to more effectively control their health plan costs. However, small employers have historically been limited to fully insured plans, limited plan design options and no real opportunity to control premium costs other than shifting a greater percentage of the cost to plan participants. By partially self funding your plan and simply changing the manner in which you finance the cost, you can regain control of your health plan costs and maximize the opportunity for future savings.

With this type of plan...

- You fund your claim expenses and fixed costs up to a pre-determined monthly amount usually totaling less than your current fully insured premium.
- If your actual claims expenses, plus fixed costs, are less than the monthly amount, times twelve, you receive a 100% refund of the unspent claim costs.
- If your actual expenses are greater than the amount that you fund, then your Stop Loss protection provides coverage for the excess claim costs.
- Fixed expenses, representing Stop Loss premiums and administration fees, are not refundable.





How Self Funding Works

Just like your current health plan, you will pay one monthly bill off of a list billing. This billing will include one-twelfth of all your plan costs and includes Stop Loss premiums, claims administration and third party vendor fees. The costs of your plan are guaranteed for a period of one year and your monthly billing will not change, unless you add or delete employees.

What if you incur more claims in a month than you have accumulated in your claims fund to date? Regardless of whether the claims expenses are due to singularly large claims or simply many small claims, your Stop Loss coverage will advance the funds as needed. The advance is later repaid from any funding surplus that is created as you fund throughout the balance of the year. However, at the end of the plan year, should your available balance not be adequate to repay the Stop Loss advances, you will have no further liability. The partially self funded plan has been designed to feel and operate like a fully insured plan, with one major exception...

This plan will refund 100% of your unspent claims dollars.



Stop Loss Protection

Because one type of stop loss protection will not effectively meet the needs of all types of plans, we have arranged two different programs.

The *SIP Healthy Partners™* program is a partially self funded benefit plan developed specifically for smaller employers with as few as 10 participating employees and as many as 85 employees. It was designed for employers currently covered under a fully insured benefit program, without any claims experience, who believe that their group is healthy and desire an opportunity to reduce their employee benefit costs by only paying for claims as they emerge.

The *SIP Healthy Partners™* stop loss coverage is a special stop loss program which combines both specific and aggregate stop loss protection. Much like a fully insured arrangement, clients pay a maximum “premium equivalent” to the stop loss carrier each month. The *SIP Healthy Partners™* monthly payment is divided into two components; fixed costs and variable costs. Although the actual percentages will vary by the size and demographics of a group, approximately 50% of the monthly premium equivalent is a fixed expense and is used to pay for stop loss protection, TPA fees, PPO access fees and other plan expenses. These fixed expenses are never refunded.

The remaining 50% is deposited into the client’s claims account and is used to pay claims. At any time during the year, should emerging claims exceed the amounts available in the client’s claims account, the stop loss carrier will advance (simultaneous reimbursement) the necessary funds to pay the claims. At the end of the plan year, should any funds remain in the client’s claims accounts, 100% of the unused funds are reimbursed within 180 days following the end of the plan year. If the total claims exceed the available funds,

the employer will have previously received an advance against their *SIP Healthy Partners™* plan.

Specific Stop Loss

Specific stop loss coverage is designed to protect the plan against singularly large catastrophic claims that exceed a certain pre-determined level, which varies based upon the size of the employer. This coverage helps guarantee that the claims fund cannot be depleted by one individual large claim.

Aggregate Stop Loss

Specific stop loss is combined with Aggregate stop loss coverage. Aggregate coverage is for the collective group of employees. If your plan were to accumulate enough claims to exceed your monthly maximum, your plan is advanced the excess amount. This ensures that the plan will never pay more than the guaranteed plan maximum.

The *SIP Healthy Partners™* plans are all medically underwritten. Prior to obtaining a quotation, all eligible participants will be asked to complete a short form medical questionnaire. Based upon these questionnaires, the carrier will either accept or reject the group. It is anticipated that quotations will be issued approximately 50% of the time.

The *SIP Healthy Partners™* plan designs have been pre-determined to facilitate the policy issuance process. The program contains seventeen plan designs, plus deductible and out of pocket options, encompassing a broad range of programs, including the most common insured plans, HRA plans, qualified HSA plans, as well as, a variety of reduced benefit plan designs. Our underwriting department will always quote the plan design options most closely resembling the current plan of benefits, as well as, other designs that may be requested.

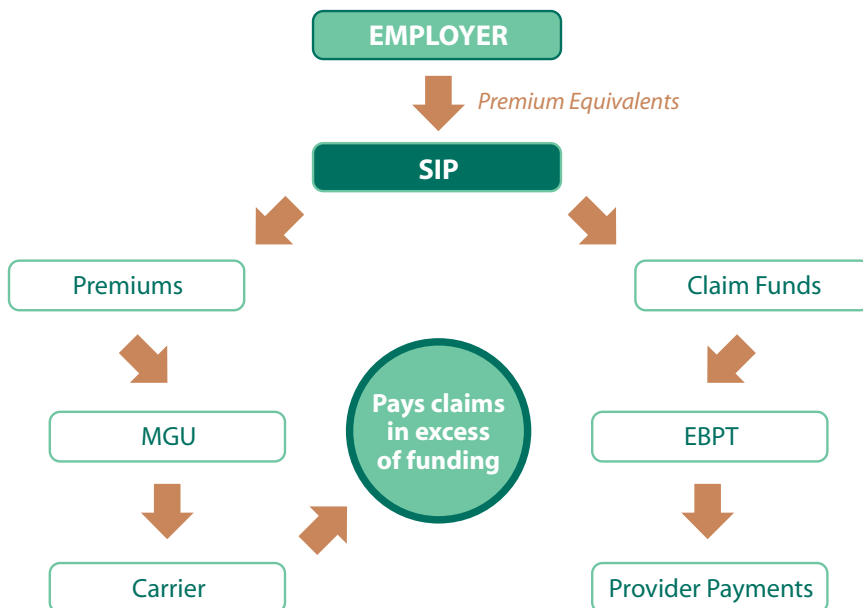


Spaggregate Stop Loss Coverage

Spaggregate stop loss coverage is a special aggregate only product which combines elements of both aggregate and specific protection into a monthly “pooling” level. Much like a fully insured arrangement, Spaggregate clients pay a maximum “premium equivalent” to the stop loss carrier each month. The monthly payment is divided into two components; fixed costs and variable costs. Although the actual percentages will vary by the size and demographics of a case, approximately 50% of the monthly premium equivalent is a fixed expense and is used to pay for stop loss protection, TPA fees, PPO access fees and other plan expenses. These fixed expenses are never refunded. The remaining 50% is deposited into the clients claims account and is used to pay claims. At any time during the year, should emerging claims exceed the amounts available in the clients claims account; the stop loss carrier will advance (simultaneous reimbursement) the necessary funds to pay the claims. At the end of the plan year, should any funds remain in the client’s claims accounts, 100% of the unused funds are reimbursed within 90 days following the end of the plan year. If the total claims exceed the available funds, the client will have previously received an advance against their Spaggregate plan.

The Spaggregate programs can be offered to groups with as few as 15 covered employees, provided that their current insured premium totals at least \$125,000, and no more than 400 employees. The Spaggregate plans include unlimited plan design options and are subject to group disclosure requirements. If claims experience is available, it must be provided.

SIP Healthy Partners™ and Spaggregate Work Flow



SIP processes more than 500,000 claims annually totaling almost \$200 million in claim payments.

The Carriers and TPA

The *SIP Healthy Partners™* program is underwritten by Companion Life.

Companion Life Insurance Company has specialized in employee benefits for more than 35 years. They currently market insurance products in 45 states and the District of Columbia (DC). Companion Life has earned an A.M. Best rating of A+ (superior) and a Weiss Rating of A (excellent).

The Spaggregate Stop Loss program is a partially self funded program underwritten by Pan American Life Insurance Company.

Currently, Pan-American is licensed in 42 states and the District of Columbia (DC), as well as Puerto Rico and the Virgin Islands. Its international operations include affiliates in Panama, Guatemala and Colombia, and branch offices in Ecuador, El Salvador and Honduras.

- Providing employers with financial solutions for their employees
- Helping individuals secure financial futures
- Delivering "peace of mind"

Pan-American is a strong, solid, and profitable company. With its high ratio of surplus to assets and sound diversification of assets, Pan-American is financially stronger now than at any other time in its 88-year history.

- \$2.2 billion in assets
- \$243 million surplus (net worth)
- A- A.M. Best Rating

Self Insured Plans LLC (SIP), the administrator of the *SIP Healthy Partners™* program, was founded in 1995 as a full service benefits administration firm specializing in partially self funded medical plans. Since that time, SIP has grown to become one of the largest independently owned third party administrators located in the Southeast United States, with two offices in Florida and sales offices in both Chicago and Honolulu.



Others pay health claims
We Help Prevent Them

Predictive Modeling
Chronic Disease Management
Provider Profiling
Personal Health Care Coaches



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