

EMPLOYER STOP LOSS

Administrative Guidelines

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**The following are general guidelines to help you administer your IISI Stop Loss program. Please note, this material is informational and the terms and conditions contained in the actual Stop Loss Policy always take precedence. Any questions with regard to these guidelines can be directed to the IISI Home Office, located at:
731 Sansome Street, 2nd Floor, San Francisco, CA 94111
Telephone (415) 398-6603, Fax (415) 398-6851**

INTERMEDIARY INSURANCE SERVICES

PREMIUM REMITTANCE

All premiums are due and payable on the first day of each month. Premiums not paid within 30 days are considered delinquent. A delinquent notice will be sent on the 31st day, and a cancellation notice will be sent on the 45th day. **Incomplete or inaccurate Monthly Premium Report forms (and the premium check) will cause a delay in processing remitted premiums.** If in doubt about completing the appropriate Premium Report form, please call the Accounting Department in San Francisco for instructions.

GROSS REPORTING - COMMISSIONS NOT WITHHELD

- Premiums reported **Gross** must be computed on the “Gross Monthly Premium Report” form. Detailed instructions for its use are on the reverse side of the form.
- Commissions are paid (mailed) on the 18th of the month; following the month payment was processed. *Example: Payment received 2/1 will produce a commission payment on 3/18.*
- Premiums received after the 20th of the month may be delayed in the administrative process, and may not be processed until the following month.

NET REPORTING - COMMISSIONS WITHHELD

(Note: Net reporting is available only by special arrangements with IISI)

- Premiums reported **Net** must be computed on the “Net Monthly Premium Report” form. When reporting premiums on a net basis, IISI must assume that the entire commission is retained by the licensed Broker. The Broker’s IRS Form 1099 will reflect this assumption.

PREMIUM CHECKS

- All checks should be payable to INTERMEDIARY INSURANCE SERVICES, INC. If the check is made payable to the carrier, the check will be returned for a corrected replacement check. Banks often will not accept checks for a deposit made payable to someone else.
- Checks returned by the bank will be resubmitted to the bank only once. Returned checks are considered as premiums unpaid. It is required that the replacement check be a cashier’s check. Repeat offenders will be terminated.

ADJUSTMENTS

- Adjustments for lives during a policy period should be made on the appropriate Monthly Premium Report form for the month following the adjustments. Back adjustments are limited to a maximum of 6 months.
- Adjustments for lives after the policy period must be accompanied by the appropriate Monthly Premium Report for each month indicating the adjusted lives for each month. Please do not send one Monthly Premium Report form for the entire policy period. Reports must be received on a monthly basis.
- Adjustments for a terminated policy period, which is not renewed, must be reported within 30 days following the final policy period payment.

COMMISSIONS

Commissions are paid under the following provisions:

- Stop Loss premiums reflect the commission level as stated in the proposal.
- The Commission recipient must be appointed (licensed) with the carrier in the state the group is domiciled.
- If the commissions are to be paid to an entity other than the TPA submitting the group, a letter needs to be submitted which clearly establishes to whom the commissions are to be paid, and the percentage payable. This should be done on or before the effective date.
- If there is no request to pay commissions to a broker/agent, then it will be assumed commissions are to be paid to the TPA submitting the case.
- Commissions are paid on the 18th of the month following the month payment was processed (assumes premiums are remitted on a gross basis).

SOLD CASE ADMINISTRATION *(Submission Checklist)*

New and renewal cases are to be submitted by the 15th of the effective month. If an extension of time is required, please call the case Underwriter in San Francisco for approval. The following items should be included in the submission:

1. Specific / Aggregate Excess Loss application, including the Plan Document on which the quote was based

2. Deposit Premium (as stated in proposal) for all coverage applied for:
 - Specific Excess Loss
 - Aggregate Excess Loss
 - Advance Aggregate Funding Option
 - Oregon Assessment Fee
 - Terminal Liability

The “Monthly Premium report” form should be used to remit the initial deposit premium.

3. Indication of who receives the commissions. First-time Brokers must submit a copy of their license, Copy of their current Error & Omissions Insurance Information and a completed Agent Appointment form, if required by Carrier.

 4. Any other additional materials or contingencies, as stated in the proposal, must be submitted.
- All incomplete or incorrect applications and insufficient deposit premium will be returned via e-mail for corrections. Improperly submitted applications cannot be corrected by phone or by IISI.
 - Applications received after the 15th of the month may be returned. They may be considered for re-underwriting for an effective date of the following month.
 - The signed plan document for a first time self-funded client must be submitted within 60 days of the effective date. The booklet on which the quote was based should be submitted with the application.
 - Contracts / Policies will be issued only upon the receipt and acceptance of all sold case materials.
 - **EXCESS LOSS CLAIMS CANNOT BE REIMBURSED UNTIL A POLCY / CONTRACT IS ISSUED.**

POLICY RENEWALS

Renewal terms will be offered 31 days before the policy expiration date.

Before terms can be offered it is necessary that the following information be received:

1. Excel census of eligible employees including date of birth, gender, coverage (single / family, etc.), home zip code and status (active / retiree / cobra).
2. 3 years aggregate monthly enrollment and claims
3. 3 years large claim report
4. Available case notes or clinical synopsis on potential and ongoing claimants.
5. Current Schedule of Benefits including any amendment made in the past year and potential changes.
6. If available, please also provide the PPO Savings Report so that we can recognize potential rating discounts.
7. Requested Stop Loss Terms

This information can be directed to our secured e-mail location: quotes@iisinet.com for handling

Should the requested renewal information not be received, the group will be notified that the policy will be terminated at the expiration date.

UPDATED CLAIMS EXPERIENCE

Aggregate attachment points will be reviewed based on a full 12 months of claims experience, starting from the current agreement period. A letter will be sent to the TPA if a change in the renewal terms is required.

PLAN DOCUMENT

MINIMUM REQUIREMENTS FOR A PLAN DOCUMENT

While our carriers' Excess Loss Policies are intended to mirror your client's Plan Document, there are mandatory provisions which are required in the Plan Document. The provisions must provide for:

1. Coordination of Benefits
2. Subrogation of Benefits
3. ERISA Rights and Designation
4. COBRA
5. Temporary Leave of Absence
6. Definition of Full-Time Employee
7. Pre-certification requirement for Hospital Admissions, including a penalty for non-compliance.
8. Termination of Coverage
9. Definitions
10. Exclusions

Plan documents for currently self-funded groups should be submitted with the application. Plan documents for groups new to self-funding should be submitted within 60 days of the effective date.

The signed and dated plan document signature page of acceptance should accompany all plan document submissions.

PLAN DOCUMENT AMENDMENTS

During a policy year, plans may be amended in respect to the plan of benefits or other items in the Plan Document. No amendment will be backdated in respect to the Excess Loss policy. The Producer will be notified of acceptance or non-acceptance of an amendment to the Excess Loss policy.

If the amendments affect the specific rates or the aggregate factors, the Producer will be notified in writing indicating the change in rates and/or factors. An Amendment to the Schedule of Benefits page in the Excess Loss Policy / Contract will be sent to the Producer.

Amendments must indicate:

1. The effective date of the change.
2. The section in the Plan document, which is being revised.
3. A detailed description of the change.
4. Date and signature of the Plan Administrator.



**GROSS MONTHLY
PREMIUM REPORT**

Policyholder Name: _____

Month of Coverage: _____

BACK ADJUSTMENTS	INSURANCE COVERAGE		COUNTS	RATE	TOTAL PREMIUM
	SPECIFIC EXCESS LOSS	# of Single EE's		\$ Per Single	
		# of Family		\$ Per Family	
	AGGREGATE			\$	
	MONTHLY AGGREGATE			\$	
				\$	
	OTHER			\$ Per Employee	
BACK ADJUSTMENT TOTAL (+/-)					\$

CURRENT PREMIUM	INSURANCE COVERAGE		COUNTS	RATE	PREMIUM DUE
	SPECIFIC EXCESS LOSS	# of Single EE's		\$ Per Single	
		# of Family		\$ Per Family	
	AGGREGATE				
	MONTHLY AGGREGATE				
	OTHER			\$ Per Employee	
TOTAL CURRENT MONTH'S PREMIUM					\$
GRAND TOTAL					\$

Prepared By: _____

Date Prepared: _____

INSTRUCTIONS FOR COMPLETING MONTHLY PREMIUM REPORT

Policyholder Name	Show the name of the Policyholder as it appears in the Excess Loss Insurance Policy / Contract.
Month of Coverage	Month and year for which premium applies. Premium is payable monthly in advance. The first premium is due on the effective date of the policy; subsequent monthly premiums are due the first of each month thereafter.
Back Adjustments	Refer to adjustments from a prior month not previously recorded, such as terminations or newly insured employees. Note: Back adjustments beyond 6 months are not acceptable.
1. Count	Show the total number of Single Employees / Families which became effective, but which have not been previously reported.
2. Rate	Show the rate at which the adjustment is made
3. Total Premium	This is the result of multiplying the appropriate total shown in the count column by the adjustment rate.
4. Total Back Adjustment (+ / -)	This is the result of the total back adjusted premium for prior months.
Current Premium	
1. Count	Show the total in force on the premium due date.
2. Rate	Show the current rate for each insurance coverage provided
3. Premium Due	This is the result of multiplying the appropriate total shown in the count column by the appropriate premium rate.
4. Total Current Month's Premium	This is the result of the Premium Due for the current month.
Grand Total	This is the total of the current month's Premium due plus or minus any Back Adjustments.

The preparer should date and sign the monthly premium report.



**NET MONTHLY
PREMIUM REPORT**

Policyholder Name: _____

Month of Coverage: _____

BACK ADJUSTMENTS	INSURANCE COVERAGE		COUNTS	RATE	TOTAL PREMIUM
	SPECIFIC EXCESS LOSS	# of Single EE's		\$ Per Single	
		# of Family		\$ Per Family	
	AGGREGATE			\$	
	MONTHLY AGGREGATE			\$	
				\$	
	OTHER			\$ Per Employee	
BACK ADJUSTMENT TOTAL (+/-)				\$	

CURRENT PREMIUM	INSURANCE COVERAGE		COUNTS	RATE	PREMIUM DUE
	SPECIFIC EXCESS LOSS	# of Single EE's		\$ Per Single	
		# of Family		\$ Per Family	
	AGGREGATE				
	MONTHLY AGGREGATE				
	OTHER			\$ Per Employee	
TOTAL CURRENT MONTH'S PREMIUM				\$	
LESS COMMISSION RETAINED @ _____%				\$	
NET TOTAL PAYMENT				\$	

n/admin/for1 Prepared By: _____

Date Prepared: _____

INSTRUCTIONS FOR COMPLETING MONTHLY PREMIUM REPORT

Policyholder Name	Show the name of the Policyholder as it appears in the Excess Loss Insurance Policy / Contract.
Month of Coverage	Month and year for which premium applies. Premium is payable monthly in advance. The first premium is due on the effective date of the policy; subsequent monthly premiums are due the first of each month thereafter.
Back Adjustments	Refer to adjustments from a prior month not previously recorded, such as terminations or newly insured employees. Note: Back adjustments beyond 6 months are not acceptable.
1. Count	Show the total number of Single Employees / Families which became effective, but which have not been previously reported.
2. Rate	Show the rate at which the adjustment is made
3. Total Premium	This is the result of multiplying the appropriate total shown in the count column by the adjustment rate.
4. Total Back Adjustment (+ / -)	This is the result of the total back adjusted premium for prior months.
Current Premium	
1. Count	Show the total in force on the premium due date.
2. Rate	Show the current rate for each insurance coverage provided
3. Premium Due	This is the result of multiplying the appropriate total shown in the count column by the appropriate premium rate.
4. Total Current Month's Premium	This is the result of the Premium Due for the current month.
Commissions	Indicate commission percentage and amount of commissions being retained. Back adjustments need to be taken into consideration in this calculation.
Net Total Payment	This is the total of the current month's premium less the commissions retained, plus or minus any back adjustments.

The preparer should date and sign the monthly premium report