

Nevada Stop-Loss Disclosure

Insurer Information

Insurer Legal Business Name		Phone		Today's Date	
Street Address		City		State	
				Zip	

Insured Information

Employer Legal Business Name						
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Stop Loss Contract Features

Contract Type		Effective Date		Termination Date	
Covered Employees ¹		Covered Lives ¹			
Level Funded Product/Financing Arrangement/RBP ²					
Specific Attachment Point ³		\$		Aggregate Attachment Point ⁴	
				%	
				(% of expected claims below specific att. Point)	
				\$	
				(Dollar equivalent of % of expected claims)	

Liability Exposure

	Monthly Cost ⁵		Contract Period Cost ⁵	
Fixed Costs				
Specific Stop Loss Premium	\$		\$	
Aggregate Stop Loss Premium	\$		\$	
Other Fixed Fees (if any)	\$		\$	
Subtotal Fixed Costs	\$		\$	
Variable Costs				
Retained Claims Not Covered by Stop Loss				
Min	\$		\$	
Expected	\$		\$	
Max	\$		\$	
Other Variable Fees (if any)				
Min	\$		\$	
Expected	\$		\$	
Max	\$		\$	
Total Employer Outlay (Including impact of Monthly Accommodation if supported)				
Min	\$		\$	
Expected	\$		\$	
Max	\$		\$	

¹ Enrollment should be based on enrollment expected at the coverage effective date.

² Indicate whether the stop-loss policy sold is part of a level funded product, sold in conjunction with a financing arrangement or contains reference based pricing.

³ Specific Attachment Point refers to the maximum liability that an employer will be responsible for per individual claimant.

⁴ Aggregate Attachment Point refers to the maximum claim liability for the employer for the entire employer group.

⁵ Monthly and Contract period Costs should be based on enrollment expected at the coverage effective date.

Nevada Stop-Loss Disclosure

Limitations on Coverage

Description of Monthly Accommodations

Description of Terminal Liability Funding

Description Early Termination Costs and Responsibilities

Enrollment Requirements/Changes in Enrollment

Policy Summary

Nevada Stop-Loss Disclosure

The purpose of the Nevada Stop-loss Disclosure form is to help a small employer make an informed decision about self-insuring major medical (medical, prescriptions, dental, vision, etc.) coverage with stop-loss insurance. The disclosure form should provide enough information to the small employer that it can understand its expected and maximum liability under a self-insured arrangement with stop-loss insurance. The disclosure is to be provided by a stop-loss insurer to a small employer prior to the effective date of a stop-loss contract.

The contract type is the period of coverage for stop-loss where the first number represents the number of calendar months covered and the second number represents the number of months covered plus the run-out period. For example, a contract starting 1/1/2020 and ending 12/31/2020 with the ability to submit claims to the insurer for claims incurred during the contract and paid through 12/31/2021 would be a 12/24 contract.

The “Run-Out” period refers to the period following the termination date of the policy where claims from the policy period will be paid by the insurer. It is important to understand the run-out period of the policy because claim submissions can sometimes be delayed and may not be received until after the end of the policy termination date. In a 12/24 policy, the policy period is 12 months with an additional 12 month run-out period for claims occurring during the first 12-month period, but received during the 12-month period following the termination of the policy.

Expenses associated with providing the stop-loss coverage (e.g., commissions, administrative expenses, risk profits, etc.) should be included in the “Other Fixed Fees” or “Other Variable Fees” fields of the “Liability Exposure” section.

The “Total Employer Outlay” is to be calculated as Fixed Costs + {Min, Expected, or Max} Variable Costs. For example, the Total Employer Outlay (Min) would be:

$$\text{Total Employer Outlay (Min)} = \text{Subtotal Fixed Costs} + \text{Retained Claims Not Covered by Stop Loss (Min)} + \text{Other Variable Fees (Min)}$$

Sections “Limitations on Coverage,” “Description of Monthly Accommodations,” “Description of Terminal Liability Funding,” and “Policy Summary” can be populated with references to sections of a stop-loss contract or policy if the contract or policy is provided along with the disclosure form.

“Limitations on Coverage” refers to any limitations on what will be paid by the stop-loss policy. For example, the stop-loss policy may have a per-person cap of \$X million, or the employer group has purchased a fully insured transplant plan that is carved out of the stop-loss policy.

“Description of Monthly Accommodations” refers to any provisions to allow for partial payments under the aggregate coverage earlier than the end of the contract. If no monthly accommodations are included in the policy, the description should state that aggregate coverage payments, if any, will be made at the end of the contract period.

“Description of Terminal Liability Funding” refers to any provisions that extend the runout period of the specific and aggregate coverage beyond the regular contract period, usually in recognition of the group returning to a fully insured plan at the end of the contract period. This section should include a description of the methodology used to determine terminal liability funding, including, without limitation, the expected cost, or the expected range of costs of processing claims before and after the termination date, if any, of the policy for stop-loss insurance.

“Description Early Termination Costs and Responsibilities” refers to any provisions related to the early termination of the stop-loss insurance and any possible fees, additional costs, or requirements put on the policyholder due to the early termination. This section should include a description of these costs and responsibilities.

“Enrollment Requirements/Changes in Enrollment” refers to any provisions related to enrollment requirements and describes what happens if there were a change in enrollment during the policy period that would impact the policy.

“Policy Summary” should include a summary of material policy provisions that clarify what is covered, but not explicitly described elsewhere in the stop-loss disclosure. Examples include what major benefits apply to stop-loss (medical, prescriptions, dental, vision), any special provisions, a summary of riders/endorsements, if there is a lifetime maximum, any run-in period funding, or a description of what is included in variable fees.

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- I understand that level-funded plans are different than fully-insured plans in that claims are counted when paid, and not when incurred; and that there is inherent risk vs. traditional fully-insured plans.
- I understand that there may be liability for claims which are paid outside of stop-loss runout periods for which the plan sponsor may be 100% responsible.
- I understand the importance of ensuring that the Plan's eligibility rules concerning employees and dependents are strictly followed to avoid potentially unpaid claims.
- I understand that there are special fiduciary duties which must be satisfied and maintained, and that failure to meet those requirements may result in personal liability for any lost or misspent plan assets.
- I understand that there may be no claims surplus.
- I understand that there may be no continuation rights under COBRA available to participants and beneficiaries on the group health plan.
- I understand that I must report and pay PCORI fees annually on IRS Form 720 for each participant and dependent by July 31 of each calendar year for the most recent plan year that ended on or before January 1 of this year.
- I understand that I must report coverage information to participants annually on Form 1095-B by January 31, and to the IRS by Form 1094-B by the end of February of each year.
- I understand that there are unique requirements concerning Form 5500 reporting, trust and bonding requirements that may need to be satisfied.
- I understand that we must ensure compliance with the HIPAA Privacy and Security rules that apply to the Protected Health Information (PHI) we may receive for our group health plan, specifically related to the use, storage, transmission and disclosure of PHI, and complete training, adoption of policies and procedures, conduct an initial and ongoing risk assessment, and take other steps to maintain full compliance with these rules.

By signing below, I acknowledge that the disclosures provided have been explained to me and I have read and understood the disclosures set forth above.

Applicant/Policyholder

Date