

SLG BENEFITS AND INSURANCE, LLC
UNDERWRITING GUIDE

THE HISTORICAL PERSPECTIVE

SLG Benefits and Insurance, LLC is a medical stop loss insurance Program Management Company. The company was created to surpass the needs of Third Party Administrators (TPA's) and broker/consultants specializing in the self-funded employee benefits marketplace. In the challenging arena of catastrophic claim management and healthcare funding products, the TPA's and broker's need for delivery of ideas from stop loss providers has become inconsistent with the rigid operating structure of some of the larger carriers and MGU's. Out of this business opportunity, SLG Benefits was formed to provide expertise and timely solutions to the medical stop loss and claim administration community. We plan to leverage our collective years of experience and personal standing in the benefits marketplace to provide medical reinsurance & insurance products and services that are in great demand. The Benefits Community expects delivery of ideas, answers to questions, direct access to decision makers and timely producer support. SLG Benefits has the expertise to exceed those expectations.

REINSURANCE

Our medical stop loss reinsurance agreements are with highly rated and qualified insurance carriers. SLG Benefits serves as a stop loss underwriting, claims and risk manager on their behalf. SLG Benefits will market stop loss products to a select group of producers and administrators nationwide. We believe our strength and dedication to the employer stop loss market will offer contractual and financial security to our producers and prospective policyholders.

THE MISSION

Our mission is to offer a medical stop loss product that will help our TPA and broker partners grow their businesses and support the self-funding concept. With increases in medical inflation, Plan Sponsors will increasingly rely on their brokers and TPA's to provide funding solutions. Our goal is to provide unparalleled product and expertise to our business partners. Our priority is to exceed the needs of our clients and deliver superior results to our risk takers.

PHILOSOPHY

At SLG Benefits, we recognize that the most valuable asset we have is our people. We have complimented our staff with a fully integrated computer system that allows us to work intelligently and efficiently to deliver all of our services at an elite business level. Claims, Administration, Accounting and Risk Management are all carefully woven into the underwriting process in an effort to produce superior results. Our underwriters are trained to understand the vast resources available to them which truly provide them with the tools necessary to "think outside the box". The automated underwriting system backstops the entire process by flagging important underwriting and policy triggers. This intelligence serves to cut down on errors, elevate difficult risks to senior management and focus our efforts on risk selection and closing business.

PROCESS OVERVIEW

- ❖ Underwriting Staff is trained to seek counsel on difficult risks. We advocate a strict referral system that gets the most complex cases into the hands of the most experienced decision makers.
- ❖ Underwriting Staff is highly trained in Managed Care Principles in an effort to steer our producers toward the best managed care environment to offset medical trend.
- ❖ Underwriting System includes sophisticated management tools used to track quote turnaround, quoting ratios and closing ratios from a variety of parameters.
- ❖ Medical Underwriting is handled by trained medical professionals to provide current, critical data to assist the underwriter in selecting profitable risk.
- ❖ Administrative Staff is highly trained to recognize the important pieces of information necessary to bind a risk such as Disclosure, Application, Schedule of Insurance and Binder check. In addition, they understand the urgency associated with these items and the ramifications of taking immediate action upon receipt.
- ❖ Claim Staff shares critical information with Underwriting and Marketing such as trigger claim notifications within the renewal or new sale window.

PRODUCT OVERVIEW

Self-funding is an effective approach that employers can use to gain greater flexibility and control over their health plan costs. In order to provide an extra measure of financial protection against catastrophic claims, most self-funded employers purchase Medical Stop Loss coverage. The amount of risk to be reinsured is a function of the employer's size, nature of business and risk tolerance. Employers can take advantage of several benefits not necessarily available under a traditional fully insured program such as lower operating costs, increased cash flow, flexibility in plan design and better claim management. In addition, self funded employers often enjoy reduced premium taxes since most states tax only the stop loss premiums and not the self-funded claim fund.

PRODUCT HIGHLIGHTS

- ❖ Minimum group size of 35 lives
- ❖ PPO, UR and Large Case Management program credits
- ❖ Consultative pricing including “no laser” renewal guarantee
- ❖ Market competitive Excess Loss Contract

SPECIFIC COVERAGE *

Specific Stop Loss is provided to limit the employer's cost for eligible medical expenses for each covered individual. This coverage addresses the employer's exposure to high expenses on a given individual (as opposed to an accumulation of expenses on all individuals).

- ❖ Specific Deductibles from \$15,000 to \$500,000
- ❖ Lifetime Maximums available: \$1,000,000, \$2,000,000 & \$5,000,000
- ❖ Contract Basis: 12/12, 12/15, 12/18, 12/24, 14/12, 15/12, 18/12, 24/12 and PAID
- ❖ Coverage options available: Medical, RX

AGGREGATE COVERAGE *

Aggregate Stop Loss is provided to limit the employer's overall annual cost for a self-funded plan. This coverage addresses the accumulation of expenses on all individuals (as opposed to high expenses for particular individuals).

- ❖ Flexible Attachment Points with 125% standard
- ❖ Per Policy Period Maximum available: \$1,000,000
- ❖ Contract Basis: 12/12, 12/15, 12/18, 14/12, 15/12, 18/12, 24/12 and PAID
- ❖ Coverage options available: Medical, RX, Dental, Vision and WDI

* Variations and alternatives are available to tailor the product to each individual client's needs. Please contact your underwriter for details.

OPTIONAL COVERAGE

- ❖ Specific Advance Reimbursement
- ❖ Split-Funded or Aggregating Specific Options
- ❖ Specific Terminal Liability Option
- ❖ Aggregate Accommodation Option
- ❖ Aggregate Terminal Liability Option
- ❖ Medical Conversion Option

VALUE-ADDED SERVICES

- ❖ Consultative underwriting and marketing services
- ❖ Internal claims re-pricing services
- ❖ Risk Management Oversight programs
- ❖ On-site technical and clinical expertise

INDUSTRY CLASSIFICATIONS

Preferred

Engineering
Insurance Agents/Carriers/TPA'S
Equipment Manufacturing

Non-Preferred

MET's/MEWA's
Law Firms
Long-term Care Facilities

Wholesale Trade-Non-Durable Goods
Accounting/Auditing Firms
Textile Manufacturing
Instrument Manufacturing

Associations
Employee Leasing Companies
Non-Taft Hartley Unions
Long-Haul Trucking/Trucking
Companies with independent
contractor drivers

REQUEST FOR PROPOSAL SUBMISSION CHECKLIST

- ❖ Official name of the employer
- ❖ Location of the group (City, State, Zip)
- ❖ Desired effective date of coverage
- ❖ Quote due date
- ❖ Specific deductible (current and proposed)
- ❖ Contract type (current and proposed)
- ❖ Commission level requested
- ❖ Current census (including year of birth or age, sex and type of coverage- if Cobra, Retiree or Disabled please designate accordingly)
- ❖ If the employer has multiple locations, include the number of employees in each location with corresponding zip code.
- ❖ Nature of business and/or SIC code
- ❖ Schedule of current benefits and proposed benefits, if different. (Note which coverages are to be included under the specific and aggregate contracts.)
- ❖ Monthly paid claims and enrollment
(Month by month aggregate report for the most recent 24 month minimum)
- ❖ Current and/or renewal rates (whether self-funded or fully insured)
- ❖ If fully insured with no paid claims experience, provide current and renewal fully insured rates on groups up to 250 lives.
- ❖ Shock claims in excess of 50% of the current deductible and any serious ongoing condition including diagnosis/prognosis
- ❖ PPO network and UR facility being implemented (if multiple networks, please specify by location).
- ❖ Please note the current PPO network if different than the proposed.
- ❖ Ancillary coverages requested (i.e. Aggregate Accommodation, Terminal Liability or Split-Funded Specific)

SPECIFIC STOP LOSS

Specific Stop Loss coverage is designed to limit the employer's cost for eligible medical expenses per covered individual. It allows self-funded employers to protect themselves from catastrophic claims exceeding the deductible level. The specific deductible is selected based on the size of the group, the employer's capacity to assume risk, as well as the medical claims experience of the plan. Once the specific deductible is exceeded, the Carrier will reimburse the employer for all eligible expenses.

CONTRACT OPTIONS

I. Incurred and Paid (12/12)

Eligible Claims will be covered that are in excess of the group's Specific Attachment Point and are:

- a. Incurred during the contract Period, and
- b. Paid during the Contract Period

II. Incurred and Paid with a three month run-in provision (15/12)

Eligible Claims will be covered that are in excess of the group's Specific Attachment Point and are:

- a. Incurred during the Contract Period, or within three months prior to the beginning of the Contract Period, and
- b. Paid during the Contract Period

III. Incurred and Paid with a six month run-in provision (18/12)

Eligible Claims will be covered that are in excess of the group's Specific Attachment Point and are:

- a. Incurred during the Contract Period, or within six months prior to the beginning of the Contract Period, and
- b. Paid during the Contract Period

IV. Incurred and Paid with a twelve month run-in provision (24/12)

Eligible Claims will be covered that are in excess of the group's Specific Attachment Point and are:

- a. Incurred during the Contract Period, or within twelve months prior to the beginning of the Contract Period, and
- b. Paid during the Contract Period

V. Paid

Eligible Claims will be covered that are in excess of the group's Specific Attachment Point and are:

- a. Incurred during the Contract Period, or within 12 months prior to the group's original effective date with SLG Benefits.
- b. Paid during the Contract Period

VI.. Incurred in the Contract Period and Paid in the Contract Period plus three months (12/15)

Eligible Claims will be covered that are in excess of the group's Specific Attachment Point and are:

- a. Incurred during the Contract Period, and
- b. Paid during the Contract Period or within three months thereafter

VII. Incurred in the Contract Period and Paid in the Contract Period plus six months (12/18)

Eligible Claims will be covered that are in excess of the group's Specific Attachment Point and are:

- a. Incurred during the Contract Period, and
- b. Paid during the Contract Period or within six months thereafter

VIII. Incurred in the Contract Period and Paid in the Contract Period plus three months (12/24)

Eligible Claims will be covered that are in excess of the group's Specific Attachment Point and are:

- a. Incurred during the Contract Period, and
- b. Paid during the Contract Period or within twelve months thereafter

SPECIFIC ADVANCE REIMBURSEMENT

Specific Advance Reimbursement is a value-added feature that provides financial assistance, easing the burden to Plan Sponsors when there is a significant individual claimant in excess of the specific deductible. This protection is available once eligible claim payments for any one claimant have exceeded the Specific Deductible, subject to a minimum reimbursement submission request per claimant of \$1,000.

Specific Advance Reimbursement is provided on all written business at policy inception and need not be requested. A Specific Advance Reimbursement Form must be completed for each Specific Advance Reimbursement claim request. The deadline for submission of the Specific Advance Reimbursement Form is 7 days after the expiration of the contract period. Specific Advance Reimbursement requests received after this date

will not be honored. On continuing claims, the TPA must complete this form with each subsequent claim submission.

A sample Specific Advance Reimbursement Form can be found in the Forms Section of this Guide.

SPECIFIC TERMINAL LIABILITY OPTION

This product provides three months run-out protection for those claims incurred during the current Policy Period. It may be utilized in adherence with the following parameters.

- ❖ Available on the following contracts: 12/12, 15/12, 18/12, 24/12 and Paid
- ❖ Coverage is not applicable upon early termination of the group's Excess Loss Policy
- ❖ Product is intended for expiring Policyholders that are returning to a fully insured arrangement
- ❖ Not available at renewal unless elected on the case's original effective date

A sample Terminal Liability Endorsement can be found in the Form Section of this Guide.

SPLIT-FUNDED & AGGREGATING SPECIFIC PREMIUM PRODUCTS

Healthcare costs for employers continue to climb in double-digit increments as a result of medical trend and market fluctuation. SLG Benefits feels it is important to offer Split-Funding and Aggregating Specific alternatives which are designed to help Policyholders manage premium increases. These innovative products offer the Policyholder the ability

to take a limited risk position on their specific premium. The Policyholder remits a discounted monthly premium rate during the course of the Policy period. If there is an individual(s) that exceeds the Specific Attachment Point, the Policyholder forgoes reimbursement until a predetermined risk corridor has been satisfied. The minimum premium amount plus the corridor will match the traditional premium charged.

These premium options can be valuable tools for Policyholders to reduce fixed premium costs, especially for those with favorable loss experience and solid cash flow. Based on the level of risk assumed by the Policyholder, this product provides the opportunity to keep their fixed costs flat during subsequent renewals.

Producers interested in presenting these alternatives should notify their SLG Benefits underwriter. SLG Benefits offers discounts from 5% to 35% off of the traditional stop-loss premium. Variables contributing to the discount level selected are premium and deductible minimums, along with the Policyholder's risk tolerance.

Should a specific claim(s) occur, the Policyholder will be responsible for claims until the corridor dollar amount is satisfied. The amount will not exceed the total maximum traditional premium. Once the corridor amount has been satisfied, all eligible claims become the responsibility of the carrier for reimbursement to the Policyholder. It is important that the Policyholder submit all specific claims, even if they are still within the corridor to SLG Benefits for record keeping purposes.

DEFINITIONS

1. **Discounted Monthly Premium Rates:** These rates represent a pre-determined percentage of the Traditional Premium Rates. The level of discount is based on the deductible size and Annual Traditional Premium. Under the Specific Split-Funded Premium Arrangement, the discounted premium is remitted monthly by the Policyholder.
2. **Annual Policyholder Corridor Amount:** This amount represents the difference between the Traditional Annual Premium Costs and the Discounted Annual Premium Cost. Specific claims eligible for reimbursement under the policy would be subtracted from the Annual Corridor Amount until exhausted.
3. **Traditional Annual Premium Cost:** This cost is calculated by multiplying the Monthly Premium Rate (s) (prior to the split funded discount) by the first month's enrollment, by 12 months.
4. **Discounted Annual Premium Cost:** This cost is calculated by multiplying the Discounted Monthly Premium Rates by the first month's enrollment, by 12 months.
5. **Final Settlement:** A year-end final settlement will be calculated after the policy period based on the actual monthly enrollment. If the annual premium, based on the actual enrollment, fluctuates by 10% or greater than the initial premium, the Estimated Corridor Amount will be re-calculated. If the Estimated Corridor Amount increases due to enrollment change, claims have exceeded the Corridor and

subsequently have been reimbursed by the Carrier, the Policyholder must reimburse the Carrier for the difference between the Initial Corridor and the Final Calculated Corridor Amount.

6. **Maximum Policyholder Specific Claims Liability Cost:** This is the sum of the Discounted Payable Annual Premium Cost and the Annual Policyholder Corridor Amount, providing assumed annual premium based on the enrollment does not vary by 10% or greater during the policy period.
7. **Minimum Annual Policyholder Corridor Amount:** This amount shall not be less than 85% of the Annual Policyholder Corridor Amount at contract inception.
8. **Specific Claims:** These are eligible claims paid on behalf of a plan participant in excess of the employer's Specific Attachment Point which qualify for reimbursement under the excess loss insurance policy.
9. **Standard Monthly Premium Rates:** These rates represent the premium cost for the Specific excess loss coverage which would be payable by the Policyholder in the absence of the Specific Split-Funded Premium Arrangement.

SPLIT-FUNDED PREMIUM PRODUCT EXAMPLES

- Assumptions:
1. 12 month policy period
 2. \$75,000 Specific deductible
 3. Actual Avg. Monthly Enrollment- S 500, F 1,000: T 1,500
 4. 30% discount on standard monthly premium rates

Situation 1: Best case: No Specific claims paid during policy period

<u>Traditional Premium Arrangement</u>	<u>Split-Funded Premium Arrangement</u>
Standard Monthly Premium Rates:	Discounted Monthly Premium Rates:
\$12.00 x 500 x 12 = \$72,000	\$8.40 x 500 x 12 = \$50,400
\$25.00 x 1,000 x 12 = \$300,000	\$17.50 x 1,000 x 12 = \$210,000
Traditional Annual Premium Cost:	\$372,000
Discounted Annual Premium Cost:	\$260,000
Annual Policyholder Additional Liability:	\$112,000
Traditional Annual Premium Cost to the Policyholder:	\$372,000
Discounted Annual Premium Cost to the Policyholder:	\$260,000
Actual Policyholder Corridor Amount:	\$ 0
Total Annual Cost to the Policyholder:	\$260,000
SAVINGS:	\$112,000

Situation 2: Probable case: 2 claims: \$105,000 & \$95,000 = \$50,000 in excess of Specific

Traditional Premium Arrangement

Standard Monthly Premium Rates:

 $\$12.00 \times 500 \times 12 = \$72,000$ $\$25.00 \times 1,000 \times 12 = \$300,000$ Split-Funded Premium Arrangement

Discounted Monthly Premium Rates:

 $\$8.40 \times 500 \times 12 = \$50,400$ $\$17.50 \times 1,000 \times 12 = \$210,000$

Traditional Annual Premium Cost: \$372,000

Discounted Annual Premium Cost: \$260,000

Annual Policyholder Additional Liability: \$112,000

Traditional Annual Premium Cost to the Policyholder: \$372,000

Discounted Annual Premium Cost to the Policyholder: \$260,000

Actual Policyholder Corridor Amount: \$50,000

Total Annual Cost to the Policyholder: \$260,000

SAVINGS: \$ 62,000*Situation 3: Worst case: 5 claims: \$125,000 each = \$250,000 in excess of Specific*Traditional Premium Arrangement

Standard Monthly Premium Rates:

 $\$12.00 \times 500 \times 12 = \$72,000$ $\$25.00 \times 1,000 \times 12 = \$300,000$ Split-Funded Premium Arrangement

Discounted Monthly Premium Rates:

 $\$8.40 \times 500 \times 12 = \$50,400$ $\$17.50 \times 1,000 \times 12 = \$210,000$

Traditional Annual Premium Cost: \$372,000

Discounted Annual Premium Cost: \$260,000

Annual Policyholder Additional Liability: \$112,000

Traditional Annual Premium Cost to the Policyholder: \$372,000

Discounted Annual Premium Cost to the Policyholder: \$260,000

Actual Policyholder Corridor Amount: \$112,000

Total Annual Cost to the Policyholder: \$372,000

Carrier Reimbursement: \$138,000**SAVINGS: \$ 0**

AGGREGATE COVERAGE

Aggregate excess loss coverage is provided to limit the employer's overall annual liability for a self funded plan. This coverage addresses the accumulation of expenses on all individuals (as opposed to high expenses for particular individuals) covered under the plan. When eligible expenses paid during a contract period exceed the annual aggregate deductible, the group is reimbursed as specified in the contract, typically after the close of the contract period.

In addition to medical benefits, most health benefits can be included in the Aggregate coverage with proper underwriting such as Prescription Drug, Dental, Vision and Short-Term Disability. Except for Prescription Drug Coverage, these ancillary charges cannot be included for coverage if they are a first time benefit offering to plan participants. See the "General Claim Handling Information" section of the SLG Benefit's Claims Guide for more detailed information regarding eligibility of non-standard expenses under the Aggregate.

The premium charged for this coverage is expressed as a rate per covered unit per month or as an amount due annually in advance. New monthly deductible factors, a new Minimum Aggregate Attachment Point and new rates are established at each contract renewal.

The Annual Aggregate Attachment Point is the greater of 1) the sum of Monthly Aggregate Factor amounts for each month of the Policy Period, determined by multiplying the total number of Covered Units by the Monthly Aggregate Factor amounts or 2) the Minimum Annual Aggregate Attachment Point.

The Minimum Annual Aggregate Attachment Point is the lowest amount of total Payments you must make under your Plan before you are eligible for reimbursement under the Aggregate Excess Loss coverage. The Minimum Annual Aggregate Attachment Point is established based on the first months enrollment multiplied by the

Monthly Aggregate Factor multiplied by the total number of months and is shown in the Schedule.

The maximum per Covered Person which may be applied annually to the Annual Aggregate Attachment Point (i.e. Individual Claim Limit) is also shown in the Schedule.

CONTRACT OPTIONS

I. Incurred and Paid (12/12)

Eligible Claims will be covered that are in excess of the group's Aggregate Attachment Point and are:

- a. Incurred during the contract Period, and
- b. Paid during the Contract Period

II. Incurred and Paid with a three month run-in provision (15/12)

Eligible Claims will be covered that are in excess of the group's Aggregate Attachment Point and are:

- a. Incurred during the Contract Period, or within three months prior to the beginning of the Contract Period, and
- b. Paid during the Contract Period

III. Incurred and Paid with a six month run-in provision (18/12)

Eligible Claims will be covered that are in excess of the group's Aggregate Attachment Point and are:

- a. Incurred during the Contract Period, or within six months prior to the beginning of the Contract Period, and
- b. Paid during the Contract Period

IV. Incurred and Paid with a twelve month run-in provision (24/12)

Eligible Claims will be covered that are in excess of the group's Aggregate Attachment Point and are:

- a. Incurred during the Contract Period, or within twelve months prior to the beginning of the Contract Period, and
- b. Paid during the Contract Period

V. Paid

Eligible Claims will be covered that are in excess of the group's Aggregate Attachment Point and are:

- a. Incurred during the Contract Period, or within 12 months prior to the group's original effective date with SLG Benefits.
- b. Paid during the Contract Period

VI. Incurred in the Contract Period and Paid in the Contract Period plus three months (12/15)

Eligible Claims will be covered that are in excess of the group's Aggregate Attachment Point and are:

- a. Incurred during the Contract Period, and
- b. Paid during the Contract Period or within three months thereafter

VII. Incurred in the Contract Period and Paid in the Contract Period plus six months (12/18)

Eligible Claims will be covered that are in excess of the group's Aggregate Attachment Point and are:

- a. Incurred during the Contract Period, and
- b. Paid during the Contract Period or within six months thereafter

VIII. Incurred in the Contract Period and Paid in the Contract Period plus three months (12/24)

Eligible Claims will be covered that are in excess of the group's Aggregate Attachment Point and are:

- a. Incurred during the Contract Period, and
- b. Paid during the Contract Period or within twelve months thereafter

AGGREGATE ACCOMMODATION OPTION

Aggregate Accommodation is offered as an option to our smaller group clients to provide greater cash flow and financial protection for the largest dollar segment of their health plan. Any Accommodation is at all times, to be considered funds of the Carrier for which the use by the Policyholder of such funds is provided by Endorsement to the Policy. The Aggregate Accommodation should not be construed as a loan or cash advance.

If in any month during the Policy Period, the total Plan Benefits Paid by the Policyholder, for which reimbursement is provided under the Policy, exceeds the sum of:

- 1) the greater of (a) the accumulated Annual Aggregate Attachment Point or (b) the pro rata of the portion of the Minimum Annual Aggregate Attachment Point; and
- 2) any previous advances; and
- 3) \$1000;

Then the Policyholder may request an advance of the aggregate excess benefit.

Accommodation Filing Requirements

In order to file an Aggregate Accommodation request we require the submission of the following documentation:

- a) Completed Aggregate Accommodation Form
- b) Monthly Loss Summary Reports showing the Policyholder's monthly paid claims data and aggregate census information
- c) Paid Claims Analysis Report showing claimant name, date of service, type of service, amount charged, and amount, date and Payee for each Payment made

Accommodation Filing Procedures

- All claims must be Paid by the Plan Sponsor prior to applying for an Aggregate Accommodation.
- Aggregate Accommodation requests must be received by SLG Benefits within 20 days following the end of the month for which the accommodation is requested. (For example, if you are filing for the month of July, then we must receive your request no later than August 20th.)
- Aggregate Accommodation must be greater than our service minimum requirement of \$1,000.
- Aggregate Accommodation is not available in the final month of the Policy or during a run-out provision.
- The initial request for Aggregate Accommodation cannot be made prior to the end of the 90 day period following the first day of the Policy Period.

Reconciliation Procedures

If the Policyholder has not incurred an aggregate claim at the end of the Policy year, then the Policyholder must refund all Aggregate Accommodations. If the year-to-date claims fall below the accumulated aggregate deductible in any given month, all Accommodation advances must be refunded in the following month.

Failure to repay any overpayment within 60 days after written notice is provided shall result in either a 10% penalty per annum or a reduction of subsequent reimbursements under the Aggregate or Specific Excess Loss benefits by the amount of the overpayment.

SLG Benefits reserves the right to audit all records affecting our liability under this Policy.

A sample Aggregate Accommodation Endorsement and Aggregate Accommodation Form can be found in the Forms Section of this Guide.

AGGREGATE TERMINAL LIABILITY

This product provides three months run-out protection for those claims incurred during the current Policy Period. It may be utilized in adherence with the following parameters:

- ❖ Available on the following contracts: 12/12, 15/12, 18/12, 24/12 and Paid
- ❖ Coverage is not applicable upon early termination of the group's Excess Loss Policy
- ❖ Product is intended for expiring policyholders who are returning to a fully insured arrangement
- ❖ Not available at renewal unless elected on the case's original effective date

In conjunction with the extended coverage, the Monthly Aggregate Factors are increased by a factor of 1.25. Coverage is triggered upon expiration of the Excess Loss Insurance Policy. SLG Benefits will issue a Terminal Liability Policy Endorsement illustrating the modified Monthly Aggregate Factors and Minimum Annual Aggregate Attachment Point.

A sample Terminal Liability Endorsement can be found in the Forms Section of this Guide.

MEDICAL CONVERSION OPTION

SLG Benefits offers Medical Conversion through Celtic Life Insurance Company. This product allows eligible employees to convert their medical coverage and that of eligible dependents, if employment is terminated or if they become a member of an ineligible class of employees. In the case of a dependent, conversion is an option in the event of a legal divorce or employee death. A dependent child may also elect Conversion upon reaching an ineligible age as defined by the group plan. The medical benefits will be converted from the employer's plan to a group benefit plan provided by the conversion carrier. Contact your SLG Benefits Underwriter for more details.