

SERFF Tracking Number: ULCC-125762130 State: Arkansas  
Filing Company: The Union Labor Life Insurance Company State Tracking Number: 39909  
Company Tracking Number: SL-2008  
TOI: H21 Health - Other Sub-TOI: H21.000 Health - Other  
Product Name: GROUP STOP LOSS INSURANCE POLICY  
Project Name/Number: /

## Filing at a Glance

Company: The Union Labor Life Insurance Company

Product Name: GROUP STOP LOSS INSURANCE POLICY SERFF Tr Num: ULCC-125762130 State: ArkansasLH

TOI: H21 Health - Other

SERFF Status: Closed

State Tr Num: 39909

Sub-TOI: H21.000 Health - Other

Co Tr Num: SL-2008

State Status: Approved-Closed

Filing Type: Form

Co Status:

Reviewer(s): Rosalind Minor

Authors: Kevin Ross, Carmen Washington

Disposition Date: 08/16/2008

Date Submitted: 08/12/2008

Disposition Status: Approved-Closed

Implementation Date Requested: On Approval

Implementation Date:

State Filing Description:

## General Information

Project Name:

Status of Filing in Domicile:

Project Number:

Date Approved in Domicile:

Requested Filing Mode:

Domicile Status Comments:

Explanation for Combination/Other:

Market Type:

Submission Type: New Submission

Group Market Size:

Overall Rate Impact:

Group Market Type:

Filing Status Changed: 08/16/2008

State Status Changed: 08/16/2008

Deemer Date:

Corresponding Filing Tracking Number:

Filing Description:

Re: GROUP STOP LOSS INSURANCE POLICY FORMS FILING

Group Stop Loss Insurance Policy, form SL-2008

Schedule of Stop Loss, form SLS-2008

The Union Labor Life Insurance Company

*SERFF Tracking Number:* ULCC-125762130 *State:* Arkansas  
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*TOI:* H21 Health - Other *Sub-TOI:* H21.000 Health - Other  
*Product Name:* GROUP STOP LOSS INSURANCE POLICY  
*Project Name/Number:* /  
NAIC 781-69744 FEIN 13-1423090

Dear Sir or Madam:

Please find enclosed the above-referenced group Stop Loss insurance policy forms for your review and approval.

These forms, once approved, will replace group Stop Loss insurance policy forms 300 et al. filed with the Department on September 12, 1986.

#### Group Stop Loss Insurance Policy

This policy is designed to provide Specific and Aggregate Stop Loss coverage.

The policy reimburses the group policyholder, as opposed to the individual group member, for medical claims paid to individual group members under self-insured plans.

#### Schedule of Stop Loss

This schedule is the vehicle by which group policyholders request this group Stop Loss coverage.

The completed schedule will be attached to and made a part of the policy.

This group Stop Loss product will be marketed to Taft-Hartley and Welfare Funds (labor unions) as well as employer groups using salaried sales personnel. The salesperson may sell directly to the group policyholder or through brokers and consultants.

We have also included an Actuarial Memorandum and the rating methodology applicable to this product for your review and approval.

To the best of our knowledge and belief, these forms comply with all applicable state insurance laws and regulations.

All forms are in final print format.

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 Product Name: GROUP STOP LOSS INSURANCE POLICY  
 Project Name/Number: /

## Company and Contact

### Filing Contact Information

Kevin Ross, kross@ullico.com  
 8403 Colesville Road (202) 962-2933 [Phone]  
 Silver Spring, MD 20910 (202) 682-4682[FAX]

### Filing Company Information

The Union Labor Life Insurance Company CoCode: 69744 State of Domicile: Maryland  
 8403 Colesville Road Group Code: 781 Company Type: Life and Health  
 Silver Spring, MD 20910 Group Name: State ID Number:  
 (202) 682-0900 ext. [Phone] FEIN Number: 13-1423090  
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## Filing Fees

Fee Required? Yes  
 Fee Amount: \$375.00  
 Retaliatory? Yes  
 Fee Explanation: Our domiciliary state of Maryland requires a filing fee of \$125.00 per form and rate filing. We are submitting 2 forms and 1 rate filing for review and approval. 1 policy @ \$125 + 1 Schedule @ \$125 + 1 rate filing @ \$125 = \$375.  
 Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
The Union Labor Life Insurance Company	\$375.00	08/12/2008	21895407

SERFF Tracking Number: ULCC-125762130 State: Arkansas  
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## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Approved-Closed	Rosalind Minor	08/16/2008	08/16/2008

SERFF Tracking Number: ULCC-125762130 State: Arkansas  
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Project Name/Number: /

## Disposition

Disposition Date: 08/16/2008

Implementation Date:

Status: Approved-Closed

Comment:

Rate data does NOT apply to filing.

SERFF Tracking Number: *ULCC-125762130* State: *Arkansas*  
 Filing Company: *The Union Labor Life Insurance Company* State Tracking Number: *39909*  
 Company Tracking Number: *SL-2008*  
 TOI: *H21 Health - Other* Sub-TOI: *H21.000 Health - Other*  
 Product Name: *GROUP STOP LOSS INSURANCE POLICY*  
 Project Name/Number: */*

<b>Item Type</b>	<b>Item Name</b>	<b>Item Status</b>	<b>Public Access</b>
<b>Supporting Document</b>	Certification/Notice	Approved-Closed	Yes
<b>Supporting Document</b>	Application	Approved-Closed	Yes
<b>Supporting Document</b>	Health - Actuarial Justification	Approved-Closed	Yes
<b>Supporting Document</b>	Outline of Coverage	Approved-Closed	Yes
<b>Supporting Document</b>	Stop Loss Policy Variabile Memorandum	Approved-Closed	Yes
<b>Form</b>	Group Stop Loss Insurance Policy	Approved-Closed	Yes
<b>Form</b>	Schedule of Stop Loss	Approved-Closed	Yes
<b>Rate</b>	Actuarial Justification and Rating Methodology	Approved-Closed	No

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## Form Schedule

### Lead Form Number:

Review Status	Form Number	Form Type	Form Name	Action	Action Specific Data	Readability	Attachment
Approved-Closed	SL-2008	Policy/Cont	Group Stop Loss ract/Fratern Insurance Policy al Certificate	Initial		50	STOP LOSS POLICY (SL- 2008).pdf
Approved-Closed	SLS-2008	Schedule Pages	Schedule of Stop Loss	Initial		44	STOP LOSS POLICY SCHEDULE (SLS- 2008).pdf



(“We, Us, Our, the Company” )

Administrative Office: 8403 Colesville Road, Silver Spring, MD 20910

Executive Office: 1625 Eye Street, Washington, DC 20006

## GROUP STOP LOSS INSURANCE POLICY

POLICY NUMBER: [ C- XXXX ]

PLAN SPONSOR: [ TRUSTEES OF THE ABC COMPANY ]

EFFECTIVE DATE OF POLICY: [ MM / DD / YYYY at 12:01 a.m. local time at the address of the Policyholder ]

This Policy is issued in consideration of the Plan Sponsor’s Schedule of Stop Loss and payment of the first premium.

We will pay the Plan Sponsor when the Plan Sponsor has an eligible claim, subject to the limits of liability, exclusions, conditions and all other terms of this Policy.

This Policy is delivered in [ the District of Columbia ] and is governed by its laws. The Plan Sponsor’s Schedule of Stop Loss , other attached forms and Amendments, Endorsements, or Riders, if any, form part of this Policy.

This Policy has been signed on Our behalf by Our [ Chairman and Chief Executive Officer ].

Chairman and Chief Executive Officer

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## SECTION I.

### DEFINITIONS

Other terms may be defined where they are used in this Policy.

Actively at Work means the Covered Person is performing, or available to perform, on a full time basis all regular duties of his or her normal occupation on the Effective Date of this Policy or on his or her last regularly scheduled work day prior to the Effective Date, or on the date a Covered Person becomes eligible, if after the Effective Date of this Policy.

Actively at Life means that the Covered Person or Covered Dependent is able to perform the same lifestyle functions of a person of similar age and sex who is in good health. A Covered Person's Covered Dependent is not Actively at Life if hospital confined.

Administrator means a firm or person having a written agreement with the Plan Sponsor to process its benefits and provide administrative services. The selected Administrator must be acceptable to Us. We reserve the right to reject the Administrators elected by the Plan Sponsor.

Aggregated Specific Deductible means a deductible, in addition to the Specific Deductible, applied to the calculation of the Specific Stop Loss Reimbursement that must be satisfied before Eligible Expenses are reimbursable under this Policy. The Aggregated Specific Deductible is satisfied by applying any Eligible Expenses that exceed the Specific Deductible for any Specific Stop Loss Reimbursement. The Aggregated Specific Deductible is shown on the Schedule of Stop Loss.

Annual Aggregate Deductible / Aggregate Deductible means the portion of Eligible Expenses that is wholly retained by the Plan Sponsor and which is not payable to the Plan Sponsor under the terms of this Policy. It is the greater of:

1. the total of the number of Covered Units in each Policy month multiplied by the Monthly Aggregate Deductible Factor from the Schedule of Stop Loss for each Policy month; or
2. the Minimum Annual Aggregate Deductible shown in the Schedule of Stop Loss.

If coverage under this Policy terminates during the Plan Period, the Annual Aggregate Deductible will be based on the full Number of Plan Months shown in the Schedule of Stop Loss. For purposes of this calculation only, the number of Covered Units in the last full month in which the Policy is in force will be considered the number of Covered Units during the balance of the Plan Period remaining after the termination of the Policy.

Aggregate Run-In Limit means the maximum amount of Eligible Expenses shown in the Schedule of Stop Loss, Incurred prior to the Effective Date, that will be included in determining an Aggregate Stop Loss Reimbursement. Eligible Expenses Incurred prior to the Effective Date and in excess of the Aggregate Run-In Limit will not be included in determining an Aggregate Stop Loss Reimbursement.

Aggregate Stop Loss Reimbursement means the amount calculated under the Aggregate Stop Loss Insurance provision as payable by Us to the Plan Sponsor.

Benefit Period means the period established for Specific and/or Aggregate Stop Loss Insurance during which an expense must be Incurred by a Plan Participant and be Paid by the Plan Sponsor for it to be considered an Eligible Expense under this Policy.

## SECTION I.

### DEFINITIONS (continued)

Benefit Plan means the program of self-funded accident and sickness benefits provided to Plan Participants by the Plan Sponsor which:

1. is written in the Plan Document that is in effect on the effective date of this Policy, or as amended and so accepted by Us;
2. complies with all required Federal laws and regulations; and
3. meets the minimum requirements of the State in which this Policy is issued.

Covered Dependent means the Covered Person's dependent if such dependent is eligible and covered for benefits under the Benefit Plan.

Covered Person / Person means an employee or member of the Plan Sponsor or any other individual who is eligible for benefits other than as a dependent under the Benefit Plan.

Covered Units means single Persons, single Persons with dependents (families), or a composite of both.

Eligible Expenses means only the charges which:

1. are covered and payable under the Benefit Plan, as shown on the Schedule of Stop Loss;
2. have been Paid by the Plan Sponsor in accordance with the terms of the Benefit Plan for the Benefit Period shown on the Schedule of Stop Loss; and
3. are not excluded or limited under this Policy.

Eligible Expenses or any loss will not include deductibles, coinsurance amounts, or any other expenses or claims which are not payable under the terms of the Benefit Plan. Eligible Expenses will not include charges which are paid or which can be reimbursed from any other source; nor will any cost of a claim payment or expense of litigation be considered an Eligible Expense or loss under this Policy.

Experimental Procedure means any medical procedure, equipment, treatment or course of treatment, drug or medicine that is not generally accepted by the medical profession or that is meant to investigate and is limited to research. This term also means techniques that are restricted to use at those centers that are capable of carrying out disciplined clinical efforts and scientific studies. The term also includes procedures which are not proven in an objective manner to have therapeutic value or benefit. Any procedure or treatment whose effectiveness is medically questionable is also deemed experimental.

We determine "experimental" through studies, opinions and reference to or by the American Medical Association (AMA), The Federal Drug Administration (FDA), The Department of Health and Human Services (DHHS), the National Institutes of Health (NIH), Diagnostic and Therapeutic Technology Assessment (DATTA), the Council of Medical Specialty Societies or any other medical association or Federal program or agency that has the authority to approve medical testing and treatment. If a treatment has not been addressed by one of the listed organizations, We have the right to determine if a treatment is appropriate based on the advice of its medical review department and/or an independent medical reviewer and other medical experts.

## SECTION I.

### DEFINITIONS (continued)

Incurred means the date which:

1. a covered service was rendered to or supply was received by a Plan Participant; or
2. a periodic disability income benefit payment becomes payable to the Plan Participant (not the date disability commences), under the Benefit Plan.

Medically Necessary means that the services, supplies, treatment and confinement must be generally recognized in the physician's profession as effective and essential for treatment of the injury or illness for which it is ordered; and that they must be rendered at the appropriate level of care in the most appropriate setting based on diagnosis. To be considered Medically Necessary, the care must be based on generally recognized and accepted standards of medical practice in the United States and it must be the type of care that could not have been omitted without an adverse effect on the patient's condition or the quality of medical care.

Services, treatment, supplies or confinement will not be considered Medically Necessary if they are an Experimental Procedure, or if investigational or primarily limited to research in their application to the injury or illness; or if primarily for scholastic, educational, vocational or developmental training; or if primarily for the comfort, convenience or administrative ease of the provider or the patient or his or her family or caretaker.

We reserve the right to review medical care and make a determination as to whether the services, treatment, supplies, confinement, or portion of a confinement, is or is not Medically Necessary. We may rely on Our medical review department or an independent reviewer for this determination. The fact that a physician or any other health care provider may order or recommend services, treatment, supplies or confinement does not, of itself, make them Medically Necessary.

Minimum Annual Aggregate Deductible means, for the Policy Year, the amount shown in the Schedule of Stop Loss, regardless of how long coverage under this Policy is in force.

Monthly Aggregate Deductible means for any month the total of the number of Covered Units in a Policy month multiplied by the Monthly Aggregate Deductible Factor from the Schedule of Stop Loss for a Policy month.

Plan Document means the written form of the Benefit Plan, which must be filed with and approved by Us. The Plan Document is the basis on which claims are paid under this Policy. Without such document on file, claims will not be paid. The Plan Document includes any amendments that are approved in accordance with the provisions of this Policy.

Plan Participant means both a Covered Person and a Covered Dependent who are eligible for benefits under the Benefit Plan. Plan Participants are limited to those individuals for whom premiums are received by Us from the Plan Sponsor.

Plan Period means the date specified in the Schedule of Stop Loss. This is the period on which premiums are based. The Plan Period will conclude with the earlier of the Renewal Date or the date coverage terminates according to the **TERMINATION** and **CANCELLATION** provisions of this Policy.

## SECTION I.

### DEFINITIONS (continued)

Paid / Pay / Payment means charges that, as of the dates shown on the Schedule of Stop Loss for the Benefit Period:

1. are covered and payable under the Benefit Plan;
2. have been adjudicated and approved;
3. for which a check or draft is issued for Eligible Expenses during the Benefit Period and has been deposited in the U.S. mail, or other similar conveyance, or is otherwise received by the payee within five (5) days to the date the check or draft is issued; and
4. for which there are sufficient funds on deposit on the date of issue of the check or draft.

Our reimbursements will not be made until all of these conditions are satisfied. Checks or drafts that are returned to the payor unpaid for any reason will not be considered Paid.

Policy means this Group Stop Loss Insurance Policy issued by Us.

Reasonable and Customary means the usual charge made by an individual, group or entity who renders or furnishes services, treatment or supplies which are covered under this Policy. In no event does it mean a charge in excess of the general level of charges made by others who render or furnish similar services, treatments or supplies to individuals:

1. who reside in the same geographical area; and
2. whose illness or Injury is comparable in nature or severity.

The fact that a treatment is determined to be Medically Necessary does not, of itself, mean that the charge will be determined to be Reasonable and Customary.

Specific Stop Loss Reimbursement means the amount calculated under the Specific Stop Loss Insurance provision as payable by Us to the Plan Sponsor.

Specific Deductible means the amount which is wholly retained by the Plan Sponsor as shown in the Schedule of Stop Loss. The Specific Deductible applies separately to each Plan Participant for each Plan Period. The Specific Deductible for each subsequent Plan Period will be determined by Us.

We / Our / Us / The Company means The Union Labor Life Insurance Company.

## SECTION II.

### BENEFIT

We will reimburse the Plan Sponsor for Eligible Expenses that exceed the Specific Deductible shown in the Schedule of Stop Loss and the Aggregate Deductible as calculated by the terms of this Policy.

#### SPECIFIC STOP LOSS INSURANCE

We will pay, subject to the terms, conditions, and limitations of this Policy, the Specific Stop Loss Reimbursement, if any, to the Plan Sponsor.

Claims under Specific Stop Loss Insurance will be paid by Us after our acceptance of proof of Payment and satisfactory proof of Eligible Expense under the Benefit Plan. A Specific Deductible applies to each Plan Participant. The Specific Deductible is identified in the Schedule of Stop Loss. Each Specific Deductible can be met only by Eligible Expenses as to the particular Plan Participant, which are Incurred and Paid by the Plan Sponsor during the Benefit Period specified in the Schedule of Stop Loss. Any Payment the Plan Sponsor makes will be applied to the Plan Period in which Payment is actually made. There will be no coverage for payments made which have been or will be reimbursed by another source.

The Specific Stop Loss Reimbursement applies to a Plan Period or any fraction of that Plan Period. It is:

1. Payments made for Eligible Expenses during the Benefit Period with regard to a Plan Participant; less
2. the Specific Deductible for the Plan Participant; with
3. the result multiplied by the Specific Reimbursement Factor from the Schedule of Stop Loss.

Additionally, the Aggregated Specific Deductible must be met before We will reimburse the Plan Sponsor under the Specific Stop Loss Insurance provision. The Aggregated Specific Deductible is shown in the Schedule of Stop Loss. The Specific Limit of Liability shown in the Schedule of Stop Loss as to each Plan Participant is per lifetime. In no event will the amount of the Specific Stop Loss Reimbursement to the Plan Sponsor over any number of Plan Periods exceed the Specific Limit of Liability shown in the Schedule of Stop Loss.

#### Claim Documentation

The following documentation may be required to file a Specific Stop Loss claim:

1. a completed specific claim form;
2. a copy of the Covered Person's enrollment form, including the Covered Person's hire date and the original effective date;
3. complete details regarding eligibility, and if applicable, information regarding work status, pre-existing / HIPAA documentation, subrogation, coordination of benefits, and COBRA;
4. copies of explanations of benefits and checks attached to the corresponding itemized bills;
5. miscellaneous information as applicable, including, but not limited to:
  - a. complete accident details, including how, when, and where an accident may have occurred;
  - b. police reports for motor vehicle accidents or for services for which a law enforcement agency is involved;
  - c. a subrogation and right to recovery reimbursement agreement if charges were Incurred as a result of a third party liability;

## SECTION II.

### BENEFIT (continued)

- d. coordination of benefits documentation;
- e. PPO discount / repricing sheets;
- f. large case management reports; and
- g. any other documentation We may request.

#### **ADVANCE FUNDING**

Upon our receipt of the Plan Sponsor's written request prior to the end of the Plan Period, the Company may provide advance funding to the Plan Sponsor for Eligible Expenses Incurred, though not Paid, for a Benefit Period shown in the Schedule of Stop Loss. The advance funding with regard to a Plan Participant will be provided only if all of the following conditions are met:

1. the Plan Sponsor must make Payments for Eligible Expenses sufficient to exceed the Plan Participant's Specific Deductible by at least \$1,000;
2. the Eligible Expenses submitted for advance funding are fully processed according to the terms of the Benefit Plan and ready for Payment;
3. within five (5) working days of its receipt of the advance funding, the Plan Sponsor must Pay the Eligible Expense; and
4. if, for any reason, the Plan Sponsor does not use the advance funding or any portion of it to Pay the Eligible Expense within five (5) working days of receipt of the advance funding, the Plan Sponsor will return the unused portion of the advanced funding to the Company within five (5) working days.

The amount owed to the Plan Sponsor as the Specific Stop Loss Reimbursement will be reduced by any amounts provided as advance funding under this Policy for the same Benefit Period. At the end of the Benefit Period, any advance funding amounts that exceed the Specific Stop Loss Reimbursement must be repaid within thirty (30) days of written notice from Us.

## SECTION II.

### BENEFIT (continued)

#### AGGREGATE STOP LOSS INSURANCE

We will pay, subject to the terms, conditions, and limitations of this Policy, the Aggregate Stop Loss Reimbursement, if any, to the Plan Sponsor. Payment will be made at the end of the Plan Period or after the termination of coverage if coverage terminates during the Plan Period.

We will pay the Aggregate Stop Loss Reimbursement after Our acceptance of proof of Payment and satisfactory proof of Eligible Expenses under the Benefit Plan. There will be no coverage for Eligible Expenses which have been or will be reimbursed by another source, including any amounts paid or payable as a Specific Stop Loss Reimbursement under this Policy.

The Aggregate Stop Loss Reimbursement for the Plan Period or any fraction of that Plan Period is as follows:

1. Payments made for Eligible Expenses during the Benefit Period, less
2. Eligible Expenses that were Incurred prior to the Effective Date in excess of the amount shown in the Schedule of Stop Loss as the Aggregate Run-In Limit, if any; less
3. any Eligible Expenses in excess of the Maximum Per Plan Participant Annual Aggregate Limit shown on the Schedule of Stop Loss; less
4. the Annual Aggregate Deductible; with
5. the result multiplied by the Aggregate Reimbursement Factor shown on the Schedule of Stop Loss.

The amount of the Aggregate Stop Loss Reimbursement will be the lesser of 5 above or the Aggregate Limit of Liability shown in the Schedule of Stop Loss.

The amount owed to the Plan Sponsor as the Aggregate Stop Loss Reimbursement will be reduced by any amounts paid under this Policy for the same Plan Period as Aggregate Accommodations that were not repaid as overpayments and were not offset against the Specific Stop Loss Reimbursement. At the end of the Plan Period, any Aggregate Accommodations or any portion thereof that exceed the Aggregate Stop Loss Reimbursement must be repaid within thirty (30) days of written notice from Us.

#### Claim Documentation

The following documentation may be required to file an Aggregate Stop Loss claim:

1. completed year end aggregate claims form,
2. Paid claims analysis report indicating claimant's name, Incurred date, charged amount, Paid amount and Paid data;
3. eligibility listing which identifies birth date, effective date, termination date and coverage type;
4. proof of funding including monthly bank statements or other documentation of claims account funding;
5. report of voids, refunds and extra-contractual claims;

## SECTION II.

### BENEFIT (continued)

6. aggregate claims report;
7. specific report showing which claimants have exceeded the Specific Deductible or loss limit;
8. listing of payments made outside the Aggregate Stop Loss Insurance ¶ (i.e., dental, weekly income, vision, PPO fees and drug card administrative fees) ¶;
9. monthly check register;
10. outstanding overpayment and subrogation log;
11. if prescription drug charges are included, itemized monthly invoices and verification of Payment, if not included on the monthly check registers;
12. COBRA documentation for COBRA participants; and
13. other documentation We may request.

We may also request this information the month following the expiration date of the Policy to review for retroactive adjustments.

### ¶ AGGREGATE ACCOMODATION

Nevertheless, upon the Plan Sponsor's proper filing of an Aggregate Accommodation request, We may make an Aggregate Accommodation to the Plan Sponsor if the requested Aggregate Accommodation exceeds \$1,000.

The Aggregate Accommodation for a Plan Month is:

1. Payments made for Eligible Expenses during the Benefit Period; less
2. Eligible Expenses that were Incurred prior to the Effective Date in excess of the amount shown in the Schedule of Stop Loss as the Aggregate Run-In Limit, if any; less
3. any Eligible Expenses in excess of the Maximum Per Plan Participant Annual Aggregate Limit shown on the Schedule of Stop Loss; less
4. the total of all Monthly Aggregate Deductibles for the current Plan Period; with
5. the result multiplied by the Aggregate Reimbursement Factor shown on the Schedule of Stop Loss; less
6. any other Aggregate Accommodations made in the current Plan Period.

However, if an Aggregate Accommodation has been made during the Plan Period, the Company reserves the right to recalculate the amounts payable at the end of any subsequent month during the Plan Period. If, at such later month, the recalculation reveals that prior Aggregate Accommodations exceed the amount that would currently be payable had the previous Aggregate Accommodations not been made, the Company may, at our option, require repayment of the amount overpaid or may reduce reimbursements due to the Plan Sponsor for the Aggregate Stop Loss Insurance Benefit ¶ or the Specific Stop Loss Insurance Benefit ¶ by the amount overpaid. Repayments for amounts overpaid must be made to the Company within 30 days of our request.

In any case, the sum of the Aggregate Accommodations made in the current Plan Period will not exceed the Aggregate Limit of Liability per Plan Period.

Aggregate Accommodations will not be paid during the last Plan Month. ¶

## SECTION III.

### DUTIES OF PLAN SPONSOR

The Plan Sponsor will either perform the duties of the Administrator, if approved by the Company, or will have under contract an Administrator acceptable to the Company to act as the Plan Sponsor's agent. The duties of the Plan Sponsor are listed below.

- **Plan Document.** The Plan Sponsor will provide the Company with its Plan Document for its approval by the Company.
- **Records.** The Plan Sponsor must maintain records of all Plan Participants and all claim Payments during this Contract Period and for a period of seven (7) years after the termination of this Policy. All such records must be made available to Us as needed to evaluate our liability under this Policy. The Plan Sponsor will maintain a separate record of any and all amounts Paid in excess of benefits eligible under the Benefit Plan.
- **Data Required.** The Plan Sponsor will maintain adequate records acceptable to the Company and provide any information required by the Company to administer this Policy. The Company may periodically examine any records to the coverage under this Policy and any claims filed under the Benefit Plan.
- **Audit.** The Company has the right to inspect and audit all data, claim records and procedures of the Plan Sponsor and the Administrator. The Company may require, upon request, proof of records satisfactory to the Company that Payment has been made to the Plan Participant or the provider for only services or benefits which are the basis of any claim hereunder.

As a result of any examination of these records, the Company will be entitled to readjust benefits, premiums, deductible factors, or reimburse for Eligible Expenses, as may be necessary to reflect the true intent of this Policy. We specifically reserve the right to change premium rates and/or factors as provided under the **PREMIUM RATES & DEDUCTIBLE FACTORS** provision in the **GENERAL PROVISIONS** section of this Policy.

- **Payment of Claims.** The Plan Sponsor will evaluate and either Pay or deny claims under the Benefit Plan. The Plan Sponsor is to have available sufficient funds to Pay claims. All claims for Eligible Expenses must be Paid within thirty (30) days from the date adequate proof of claim is provided to the Administrator.

The Plan Sponsor agrees to utilize and comply with all Plan utilization review, cost containment and/or managed care provisions and requirements.

- **Amendments to the Benefit Plan.** The Benefit Plan will not be changed or amended while this Policy is in force without the Company's prior written consent. Written notification of proposed amendments to the Benefit Plan must be received at our Executive Office prior to the effective date of the change and the Company must consent to the change. For the purposes of payment of benefits under this Policy, changes to the Plan Document will become effective on the first day of the month following the Company's approval of the proposed amendment. In the absence of the Company's prior written consent of the amendment, benefits will be payable under this Policy as though the Plan Document had not been amended.

## SECTION III.

### DUTIES OF PLAN SPONSOR (continued)

- **Amendments to the Administrative Agreement or Administrator.** Any Administrator retained by the Plan Sponsor must, at all times, be acceptable to the Company. The Plan Sponsor will provide the Company with a copy of its written agreement with the Administrator, and all amendments thereto. The Plan Sponsor agrees that a copy of any further amendment to or change in said agreement will be provided to the Company sixty (60) days prior to the time it becomes effective. The Plan Sponsor further agrees to provide the Company sixty (60) days prior written notice of its designation of a successor Administrator. The Company reserves the right to reject the designation of a successor Administrator. The Plan Sponsor will provide the Company with a copy of its written agreement with any successor Administrator. The Company will not reimburse the Plan Sponsor for claims paid by someone not properly authorized to do so.
- **Disclosure Requirements.** This Policy has been underwritten based upon the information the Plan Sponsor provided to the Company concerning all Plan Participants eligible for benefits under the Benefit Plan on the effective date of this Policy or on the effective date of any class of Plan Participants added thereafter.

The Plan Sponsor's signature on the application for this Policy represents to the Company that the Plan Sponsor or the Plan Sponsor's authorized representative have consulted with the Plan Sponsor's pre-certification, utilization review and medical management vendors and the Plan Sponsor's Administrator, or former Administrator, to determine who must be disclosed on the Stop Loss Disclosure Statement.

If the Plan Sponsor fails to disclose any person as a risk on the Stop Loss Disclosure Statement, the Company has the right to retroactively revise the premium rates, deductibles, deductible factors, and terms and conditions of this Policy in accordance with its underwriting practice in effect at the time the Policy was underwritten, retroactive to the Effective Date.

- **Reporting Requirements.** The Plan Sponsor will submit by the 15<sup>th</sup> day of each month all proofs, reports, and supporting documents as the Company may require for the preceding Policy Month, including but not limited to:
  1. summary of all claims Paid;
  2. number of Plan Participants;
  3. premium paid; and
  4. deductible amounts.

## SECTION III.

### DUTIES OF PLAN SPONSOR (continued)

The Company will rely upon the claims experience submitted each month to establish the Monthly Aggregate Deductible Factor. If the Company determines that the information provided is inaccurate or incomplete, the Company has the right to change the deductible factors retroactively.

- **Notice of Claim.** The Plan Sponsor will give the Company written notice on our customary proof of loss form within sixty (60) days of the date when a Plan Participant incurs Eligible Expenses for any diagnosis which equal or exceed or would reasonably suggest to a prudent claims administrator the possibility that Eligible Expenses which are covered by this Policy will equal or exceed fifty percent (50%) of the Specific Deductible shown in the Schedule of Stop Loss or \$100,000, whichever is less.

The Plan Sponsor will give the Company written notice on our customary proof of loss form within thirty (30) days of the date Eligible Expenses are Incurred which are covered by this Policy and which are equal to or exceed **■** seventy-five percent (75%) of **■** the Annual Aggregate Deductible.

The Plan Sponsor will submit on a timely basis all claims, proofs, reports, and supporting documents.

In addition to the notice of claim requirements above, the Plan Sponsor must immediately notify the Company in writing as soon as it is aware of any loss for Eligible Expenses Incurred by a Plan Participant which may result in a claim under this Policy for any of the conditions, treatments, or circumstances listed below:

1. continuous confinement of more than 30 days in a hospital, skilled nursing facility, rehabilitation or other medical facility;
2. claims that exceed 50% of the Specific Deductible or \$100,000, whichever is less;
3. claims for which a third party may be liable.

The Plan Sponsor or the Plan Sponsor's Administrator must give notice to Us when the total amount Paid by the Plan Sponsor on a Covered Person or Covered Dependent equals or exceeds 50% of the Specific Deductible, or has the potential to exceed 50% of the Specific Deductible. The Plan Sponsor's failure to give prompt notice may result in an adjustment of Our reimbursement to the Plan Sponsor, if any, to reflect any savings We could have obtained had a prompt 50% notification been given.

- **Right of Reimbursement**

We reserve the right to appoint a lawyer to act on Our behalf and commence an action to pursue Our right to reimbursement against a third party. A third party may be a person, organization, entity, or insurance company. The Plan Sponsor agrees to cooperate fully and do all things necessary and required for Us to pursue any action to recover against a third party. Any amounts recovered by the Plan Sponsor, the Administrator, or the Plan Participant in such action will be used first to reimburse the expenses of recovery and then to reimburse Us for any benefit payments made on behalf of the Plan Participant. Any amounts We recover will be used to pay Our expenses of collection and reimbursement for any amounts We may have paid or may become liable to pay to the Plan Sponsor under the terms of this Policy. All amounts remaining will be paid to the Plan Sponsor.

We will also be assigned all rights of recovery if payment is made for which the Plan Sponsor is or becomes entitled to receive from a third party.

## **SECTION IV.**

### **INDEMNIFICATIONS**

#### **LIABILITY AND INDEMNIFICATION**

The Company has no obligation whatsoever under this Policy to make any payment directly to any Plan Participant or provider of services for any benefits provided under the Benefit Plan. The Company's sole liability, if any, is to the Plan Sponsor, and subject to all the terms, conditions and limitations of this Policy.

Our sole liability under this Policy is to the Plan Sponsor for Payments made for Plan Participants for Eligible Expenses under the Benefit Plan, subject to the terms and conditions of this Policy. The Policy does not create any right or obligation to pay any Plan Participant, Administrator, or provider of professional or medical services. Nothing in this Policy will be construed to permit a Plan Participant to have a direct right of action against the Company. The Plan Sponsor agrees to hold the Company harmless from any damages, expenses incurred, or judgments awarded arising out of any dispute involving a Plan Participant covered by this Policy, with respect to the Plan Participant's claim of any rights under the Benefit Plan. The Plan Sponsor will indemnify the Company for all expenses, including attorney fees, that the Company incurs in defending claims or lawsuits brought against the Company by a Plan Participant. This Policy will not be deemed to make the Company a party to any agreement between the Plan Sponsor and the Administrator. We will not be considered a party to the Benefit Plan of the Plan Sponsor or to any supplement or amendment to it. The Plan Sponsor agrees to hold the Company harmless from damages of any kind which are not caused by the Company's own acts or omissions.

#### **TAXES AND ASSESSMENTS**

If, by any law, administrative ruling or judicial decision, premium taxes or state assessments should be assessed against the Company or the Plan Sponsor with respect to claims Paid under the Benefit Plan or the number of members participating in the Benefit Plan, the Plan Sponsor will save and hold the Company harmless from any such premium tax or state assessment liability. The Plan Sponsor will reimburse the Company for the amount of such premium tax or state assessment liability, interest, penalty or any cost due and payable upon receipt by the Company of such notification. The Plan Sponsor agrees that reimbursement may take the form of a retroactive premium adjustment.

## SECTION V.

### EXCLUSIONS

The Company will not make any payment under this Policy for any loss which is caused by or which results from:

1. expenses Incurred while the Benefit Plan is not in force [ ] with regards to a Covered Person or Covered Dependent for whom a claim is paid [ ];
2. any expense Incurred or paid by the Plan Sponsor under any policy or service agreement other than the Benefit Plan;
3. expenses Paid under the Benefit Plan that are in excess of Reasonable and Customary charges; or any amount Paid which is in excess of the Benefit Plan benefits;
4. expenses Incurred as a result of accidental bodily injury or sickness that is employment-related or for which the Plan Participant is entitled to receive benefits under any workers' compensation, occupational disease law, or similar law whether or not such coverage is actually in force;
5. [ ] expenses for the administration of claims Payments or expenses incurred for a claim which has been submitted in connection with the administration of the Benefit Plan's utilization review, cost containment and/or managed care provisions and requirements [ ];
6. war, declared or undeclared, invasion, civil war, or hostilities;
7. expenses for any Experimental Procedure, service, supply or drug;
8. expenses Incurred in connection with treatment or procedures that are cosmetic;
9. [ ] expenses due to services or supplies rendered to a transplant donor of any organ or bodily element; expenses for the acquisition cost of any organ or bodily element [ ];
10. [ ] expenses relating to non-human organ/tissue transplants, gene therapies, xenographs or cloning [ ];
11. Payments under the Benefit Plan which are recoverable under the Benefit Plan's coordination of benefits, subrogation or right of recovery provisions;
12. expenses which are based upon any noncompliance with any legal statute or regulation;
13. expenses for any legal process or litigation;
14. expenses which are otherwise limited or excluded under the terms and conditions of this Policy, or for which the Company is held harmless;
15. with respect to [ ] Specific [ ] [ ] and [ ] [ ] Aggregate [ ] Stop Loss Insurance, expenses resulting from dental, vision, prescription drug, hearing care, or weekly income, unless specifically stated in the Schedule of Stop Loss;

## SECTION V.

### EXCLUSIONS (continued)

16. expenses Incurred or paid for services, treatment or supplies, including any hospital confinement, or any portion of a hospital confinement, or confinement in any facility or institution, which are not deemed Medically Necessary and not deemed Eligible Expenses under this Policy;
17. with respect to each retired Covered Person who is eligible for benefits under Medicare, Payment otherwise payable under this Policy will be reduced by the amount of any similar Medicare benefits so that the total reimbursements on behalf of a Covered Person will not exceed 100% of the Covered Person's actual expenses. This provision will be administered in accordance with Federal laws and regulations;
18. ¶ expenses for any claim submitted to the Company more than 1 year after the end of a Benefit Period or termination of this Policy;
19. ¶ expenses Incurred by a Plan Participant for treatment of an illness or injury for which he is entitled to receive benefits under an insured policy, plan or program, including an extension of benefits, or similar type provision, which was in effect immediately preceding the Effective Date of this Policy will not be considered Eligible Expenses under this Policy. Any expense so Incurred will not be used to satisfy the Specific Deductible or Annual Aggregate Deductible ¶;
20. expenses Incurred while the Plan Participant's legal residence is not within the United States;
21. liability otherwise assumed by the Plan Sponsor though excludable under the Benefit Plan;
22. ¶ expenses resulting from the Plan Participant's commission or attempted commission of a felony ¶; and
23. expenses for any service or treatment which is payable under a government or privately supported medical research program.

## SECTION VI.

### MEDICAL CONVERSION

A Plan Participant whose coverage under the Benefit Plan ends solely due to termination of employment or loss of eligibility due to change in classification, may apply for an individual medical conversion policy. A Plan Participant whose coverage under the Benefit Plan ends due to loss of dependency status or loss of dependent eligibility due to change in classification may also apply for an individual medical conversion policy.

Eligibility for conversion is determined as follows:

1. the Plan Participant must have been covered for group medical coverage under the Benefit Plan for at least three (3) consecutive months;
2. the Plan Participant must be under the age of sixty-five (65) and not be eligible for or receiving benefits under the Federal Medicare Program or similar coverage under any group, individual, or pre-payment plan;
3. the Plan Participant's Legal Residence must be in the United States. For purposes of medical conversion only, the term "Legal Residence" means a place of permanent residence. This is a fixed place of residence which the Plan Participant intends to be his home and to which he intends to return despite any temporary residences elsewhere;
4. the Plan Participant's coverage under the Benefit Plan must terminate prior to the termination of this Policy.

An individual medical conversion policy will be issued subject to the following:

1. within thirty-one (31) days after coverage under the Benefit Plan terminates, the Plan Participant's completed application and payment of the first premium are received. All rules and details concerning the individual conversion policy are governed by the designated conversion carrier;
2. proof of good health will not be required;
3. the effective date of the conversion policy will be the day coverage terminates under the Benefit Plan, if all requirements have been met and the Plan Participant is accepted for conversion;
4. the Plan Participant may elect to cover his dependents who were covered under the Benefit Plan and whose coverages are also terminating.

The Plan Sponsor will be required to give each Plan Participant at least fifteen (15) days written notice prior to the date on which his right to convert would expire.

## **SECTION VII.**

### **GENERAL PROVISIONS**

#### **ACTIVELY AT WORK & ACTIVELY AT LIFE**

If a Covered Person is not Actively at Work or a Plan Participant is Totally Disabled on the Effective Date of this Policy, then no benefits will be provided under this Policy for any Eligible Expense incurred with respect to the individual.

No Eligible Expenses Incurred with respect to such Plan Participant will be used to satisfy any deductible in this Policy, unless they were Incurred the day following the later of:

1. the date the Covered Person returns to work on a full-time basis; or
2. the date the Plan Participant is no longer Totally Disabled.

For purposes of this provision only, "Totally Disabled" means the Covered Person is unable to perform all of the material and substantial duties of his job on a full-time basis due to disability. For Covered Dependents, it means that on the Effective Date of the Policy, the Plan Participant is unable to meet the Actively At Life requirement.

Regardless of any provisions to the contrary, this limitation applies to all Plan Participants, whether covered under the Benefit Plan on or after the Effective Date of this Plan Period. For subsequent Plan Periods, this limitation does not apply to any Plan Participants who are covered under the Benefit Plan before and on the Effective Date of this Policy.

The Actively at Work requirement may be waived if shown in the Schedule of Stop Loss.

In the event that application is made to include retired persons and/or persons who have elected COBRA (whether the COBRA election is effective on the Policy Effective Date or not), such persons are subject to the Actively at Life requirement unless waived in the Schedule of Stop Loss.

#### **NOTICE**

For the purpose of any notice required from Us under the terms of this Policy, notice to the Plan Sponsor will be deemed notice to the Administrator and notice to the Administrator will be deemed notice to the Plan Sponsor.

#### **NOTICE OF APPEAL**

Any objection, notice of legal action, request for review or appeal, or complaint received on a claim processed under the Benefit Plan, and on which it reasonably appears reimbursement may be payable under this Policy, will be brought to Our immediate attention.

#### **CHANGES**

No agent or any other person except an authorized officer of the Company has the authority to effect a waiver or change any part of this Policy or to stop the Company from asserting any right under the terms of this Policy. The terms of this Policy cannot be waived or changed, except by amendment, endorsement, or rider issued to, and which forms a part of, this Policy.

## SECTION VII.

### GENERAL PROVISIONS (Continued)

#### COST CONTAINMENT PROGRAM

We have the right to participate, at Our option and expense, in any savings or cost containment program that the Plan Sponsor has in place. If no such program exists, We have the right to retain the services of a third party to implement a cost containment program.

#### PREMIUMS AND GRACE PERIOD

Each premium for the insurance provided under this Policy is payable on or before its due date at the [Administrative Office of the Company]. Payment of premium will not maintain the insurance under this Policy in force beyond the period for which such premium is paid, except as otherwise stated in this provision.

A grace period of [thirty-one (31) days] will be allowed for the payment of each premium due after the first. If any premium after the first is not paid when due, all benefits provided the Plan Sponsor under this Policy will terminate upon the earliest of the following dates:

1. the due date of such premium, if the Plan Sponsor provides written notice to Us and We receive such notice on or before such date that the insurance under this Policy would otherwise terminate;
2. at the end of the grace period upon Our receipt of such written notice during the grace period;
3. at the end of the grace period. The Plan Sponsor will be liable for the pro-rata part of any unpaid premium due during which the insurance under this Policy is continued in-force after the due date of such unpaid premium.

If coverage terminates during the Benefit Period, there will be a refund of premium paid but unearned, based on Our rules then in effect for refunding premium paid but unearned.

[ We reserve the right to offset any benefits payable to the Plan Sponsor under this Policy against premiums due and unpaid by the Plan Sponsor. This right will not prevent termination of this Policy for non-payment of premium in accordance with the **TERMINATION** provision [ The Company also reserves the right to require an interest payment to be made on premium payments made after the due date. The interest rate charged will be \_\_\_\_\_% ]. ]

#### PREMIUM RATES & DEDUCTIBLE FACTORS

We have the right to establish new premium rates, Aggregated Specific Deductible, and Monthly Aggregate Deductible Factors at any time during the Plan Period, if:

1. the number of Plan Participants changes by more than [ten percent (10%)] from the number used in the most recent premium rate calculation;
2. an increase or decrease in the premium due under this Policy exceeds fifteen percent (15%) over any prior month or thirty percent (30%) over any period of three consecutive months;
3. the Benefit Plan is amended;

## **SECTION VII.**

### **GENERAL PROVISIONS (Continued)**

4. this Policy is amended;
5. there is a change in law or regulation that affects this Policy;
6. the Plan Sponsor adds or deletes any subsidiary or affiliated companies or divisions; and/or
7. there is a change in the Administrator, preferred provider network, or any other cost containment program.

### **DIVIDENDS**

This Policy will share each year in the distribution of divisible surplus, if any. The amount of any dividend will be determined by Us at the end of each Benefit Period, if the Policy has continued in-force and all premiums have been paid throughout the Benefit Period.

Dividends will be paid to the Plan Sponsor, or, at the Plan Sponsor's request, be applied toward the payment of premiums. Payment of the dividend will completely discharge Us from any liability with respect to the dividend so paid.

### **TERMINATION**

The Plan Sponsor will immediately notify Us if the Benefit Plan is terminated. In the event of termination, the Specific Deductible and the Minimum Annual Aggregate Deductible for the full Benefit Period will continue to apply as stated in the Schedule of Stop Loss.

### **TERMINATION BY MUTUAL AGREEMENT**

The Policy may be terminated on a date and time set by mutual agreement between the Plan Sponsor and Us.

### **TERMINATION BY PLAN SPONSOR**

The Plan Sponsor may terminate this Policy by mailing written notice to Us stating when such cancellation is to be effective. Notice must be received by Us not less than thirty-one (31) days prior to the effective date of cancellation. If the Benefit Plan terminates before the end of the Plan Period, this Policy will be deemed to have terminated. The Specific Deductible will be the amount shown in the Schedule of Stop Loss. The Annual Aggregate Deductible will be determined as provided in the definition of Annual Aggregate Deductible.

### **TERMINATION BY INSURER**

We may terminate this Policy for any of the following reasons:

1. the number of Covered Persons under this Policy becomes **49** or less **49** for three (3) consecutive months **49**;
2. the Plan Sponsor fails to perform the duties under this Policy in good faith;

## **SECTION VII.**

### **GENERAL PROVISIONS (Continued)**

3. the Administrator fails to meet our administrative requirements;
4. the termination of the Benefit Plan;
5. any other group policy issued by Us in conjunction with this Policy is terminated;
6. the Plan Sponsor suspends active business operations;
7. the Plan Sponsor becomes insolvent or bankrupt or subject to liquidation, receivership, or conservatorship;
8. the Plan Sponsor dissolves;
9. the agreement between the Plan Sponsor and the Administrator terminates, unless We have received the Plan Sponsor's notification of the designation of a successor Administrator and a copy of the agreement between the Plan Sponsor, and both are acceptable to Us; or
10. the Plan Sponsor fails to accept the renewal offered by Us.

If this Policy, or coverage for an employer, affiliate, location, subsidiary or employee unit, if any, is terminated before the end of the Benefit Period shown on the Schedule of Stop Loss, only those claims that have been Paid prior to the date of termination will be considered Eligible Expenses under this Policy. The Benefit Period will not extend beyond the date of termination.

### **RENEWAL**

This Policy may be renewed at Our option for subsequent 12-month periods by written acceptance from the Plan Sponsor of Our renewal terms. Payment of premium with the renewal terms We offered will also constitute acceptance by the Plan Sponsor.

We will give the Plan Sponsor at least 30 days advance written notice of a renewal action.

### **CLERICAL ERROR**

Clerical error, whether by the Plan Sponsor or by Us in keeping any records pertaining to the insurance provided under this Policy will not invalidate coverage otherwise validly in-force or continue coverage otherwise validly terminated.

### **ASSIGNMENT**

The Plan Sponsor cannot assign this Policy.

## **SECTION VII.**

### **GENERAL PROVISIONS (Continued)**

#### **LEGAL ACTION**

No action at law or in equity will be brought to recover on this Policy prior to the expiration of **60 days** after written proof of loss has been furnished in accordance with the requirements of this Policy. No such action will be brought after the expiration of **three years** after the time written proof of loss is required to be furnished. This limitation, and the time permitted for filing the Notice of Claim and proof of loss, is amended to comply with the minimum requirement of the state in which the Plan Sponsor is situated.

#### **CONFORMITY WITH STATE STATUTES**

Any provision of this Policy that is in conflict with the laws of the state in which this Policy is delivered, or issued for delivery, is amended to conform to the minimum requirements of those laws.

#### **CONFORMITY WITH FEDERAL LAW AND REGULATIONS**

This Policy is automatically amended to comply with any Federal law or regulation with which this Policy is not in compliance. This Policy is deemed to be automatically amended on the date any Federal law or regulation is enacted which is applicable to this Policy; the effective date of any such amendment will be that governed by Federal law or regulation.

#### **INDEPENDENT MEDICAL EXAMINATIONS**

The Company has the right and opportunity through its medical representative to examine any living Plan Participant while a claim is pending and as often as it may reasonably require.

#### **NO ERISA LIABILITY**

We will not accept responsibility as an Administrator or be deemed a plan fiduciary as these terms are defined and used in the Employment Retirement Income Security Act (ERISA) of 1974 as amended.

#### **WAIVER**

If either party fails or neglects to enforce any or all of the provisions of this Policy or to insist upon strict compliance, it will not be construed as a waiver of any rights or privileges. A waiver of a past act or circumstance does not waive any subsequent act or circumstance or prevent future enforcement of the provisions of this Policy.

The parties agree that the inclusion of this provision or acceptance of late payments is not considered a waiver of Our right to receive timely funds under this Policy. At no time is the Plan Sponsor to withhold payment or pay an amount less than that billed as calculated as due under the terms and conditions of this Policy.

#### **SEVERABILITY**

If any part of this Policy is invalid or unenforceable under applicable law, the remaining parts of this Policy will remain in full force and effect.

## **SECTION VII.**

### **GENERAL PROVISIONS (Continued)**

#### **COMPANY LIABILITY**

We rely upon the information provided by the Plan Sponsor in determining the risk assumed under this Policy. If We discover, after the issuance of this Policy, that there is information that would have affected the liability, or acceptance, of this Policy, We reserve the right to terminate this Policy, adjust any specific individual's deductible, or revise the applicable rates, factors or other terms and conditions.

#### **CONCEALMENT / FRAUD**

This entire Policy will be void if the Plan Sponsor, or its agent, Administrator or other authorized representative of the Plan Sponsor has intentionally or negligently concealed, misrepresented or failed to disclose any material fact or circumstance, which concerns the insurance under this Policy including any claim; or in any case of fraud by any such entity.

**SCHEDULE OF STOP LOSS**

This Policy provides only those coverages shown below. If lines are left blank, no coverage is provided for that category.

Plan Sponsor: Trustees of the ABC Company

Policy Number: XXXX

Specific Stop Loss Insurance:  Yes  No

Effective Date: MM/DD/YYYY

Plan Period: From MM/DD/YYYY to MM/DD/YYYY (Renewal Date)

Number of Plan Months: X

Eligible Expenses include:  Medical  Other: \_\_\_\_\_

Options:  Advance Funding  
 Medical Conversion  
 Other: \_\_\_\_\_

Monthly Specific Premium Rates:  
\$X.XX per Covered Employee \$X.XX per Dependent \$X.XX per Family

Specific Reimbursement Factor:  \_\_\_\_\_ %  
 other: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Specific Limit of Liability per Plan Participant per Lifetime is: \$ X.XX

Plan Participants consist of covered employees/members and their Dependents, who meet the eligibility rules of the Plan Sponsor, which include:

- Active employees/members and their Dependent  Spouses and Children
- Retirees not eligible for Medicare
- Retirees eligible for Medicare
- Eligible Plan Participants of classes selected that elect COBRA
- Retiree Dependent Spouse and/or Children not eligible for Medicare
- Retiree Dependent Spouse and/or Children eligible for Medicare
- Other (Specify): \_\_\_\_\_

**SCHEDULE OF STOP LOSS**  
**(continued)**

Specific Deductible per Plan Participant: [ \$ X.XX ]

Except for the following:

Aggregated Specific Deductible per Plan Period: [ \$ X.XX ]

Plan Type: [ 12 ] / [ 12 ]

Specific Benefit Period: Eligible Expenses Incurred by Plan Participants from [ MM/DD/YYYY ] to [ MM/DD/YYYY ], and Paid by the Plan Sponsor from [ MM/DD/YYYY ] to [ MM/DD/YYYY ].

Waivers:

- Actively at Work requirements Waived for Covered Persons.
- Actively at Life Waived for all other Covered Participants.

Aggregate Stop Loss Insurance:       Yes       No

Effective Date: \_\_\_\_\_ [ MM/DD/YYYY ]

Plan Period: From \_\_\_\_\_ [ MM/DD/YYYY ] to Renewal Date: \_\_\_\_\_ [ MM/DD/YYYY ]

Number of Plan Months: \_\_\_\_\_ [ X ]

**SCHEDULE OF STOP LOSS  
(continued)**

Eligible Expenses include:  Medical  Prescription Drug  Vision  Dental  
 Weekly Disability Income  Other: \_\_\_\_\_

Options:  Aggregate Accommodation  
 Medical Conversion  
 Other: \_\_\_\_\_

Monthly Aggregate Premium Rates:  
\$ X.XX per Covered Employee

Minimum Annual Aggregate Premium: \$ \_\_\_\_\_

Monthly Aggregate Deductible Factors:

\$ X.XX per Covered Employee \$ X.XX per Dependent \$ X.XX per Family

Minimum Annual Aggregate Deductible: The greater of \$ X.XX or X% of the first  
Monthly Aggregate Deductible multiplied by  
the Number of Plan Months.

Maximum per Plan Participant Annual Aggregate Limit which may be applied to the Annual  
Aggregate Deductible: \$ X.XX

Aggregate Reimbursement Factor:  X%  
 other: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Aggregate Run-In Limit: \$ X.XX

Aggregate Limit of Liability per Plan Period: \$ X.XX

Plan Participants consist of covered employees/members and their Dependents, who meet the  
eligibility rules of the Plan Sponsor, which include:

- Active employees/members  
and their Dependent  Spouses and Children
- Retirees not eligible for Medicare
- Retirees eligible for Medicare
- Eligible Plan Participants of classes selected that elect COBRA
- Retiree Dependent Spouse and/or Children not eligible for Medicare
- Retiree Dependent Spouse and/or Children eligible for Medicare
- Other (Specify): \_\_\_\_\_

**SCHEDULE OF STOP LOSS**  
**(continued)**

Plan Type:   12   /   12  

Aggregate Benefit Period: Eligible Expenses Incurred by Plan Participants from MM/DD/YYYY to MM/DD/YYYY, and Paid by the Plan Sponsor from MM/DD/YYYY to MM/DD/YYYY.

Waivers:

- Actively at Work requirements Waived for Covered Employees.
- Actively at Life Waived for all other Covered Participants.

The amount reflected above as the “Maximum per Plan Participant which may be applied to the Annual Aggregate Deductible” also applies to any Plan Participant for whom Actively at Work/ Life is Waived.

This Policy is hereby approved and all of its terms and provisions are accepted.

Dated at   Silver Spring, Maryland   this   1<sup>st</sup>   day of   July  ,   2008  .

EXECUTED FOR   PLAN SPONSOR  

By: \_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name and Title

Date: \_\_\_\_\_

*SERFF Tracking Number:*      *ULCC-125762130*                      *State:*                      *Arkansas*  
*Filing Company:*              *The Union Labor Life Insurance Company*      *State Tracking Number:*      *39909*  
*Company Tracking Number:*      *SL-2008*  
*TOI:*                      *H21 Health - Other*                      *Sub-TOI:*                      *H21.000 Health - Other*  
*Product Name:*              *GROUP STOP LOSS INSURANCE POLICY*  
*Project Name/Number:*      /

## **Rate Information**

Rate data does NOT apply to filing.

SERFF Tracking Number: ULCC-125762130 State: Arkansas  
Filing Company: The Union Labor Life Insurance Company State Tracking Number: 39909  
Company Tracking Number: SL-2008  
TOI: H21 Health - Other Sub-TOI: H21.000 Health - Other  
Product Name: GROUP STOP LOSS INSURANCE POLICY  
Project Name/Number: /

## Supporting Document Schedules

**Satisfied -Name:** Certification/Notice **Review Status:** Approved-Closed 08/16/2008

**Comments:**

With respect to compliance with Rule & Regulation 19, N/A. The product submitted for review and approval is group Stop Loss insurance. The coverage reimburses the group policyholder, not the individual group member, for medical claims paid by the policyholder to individual group members under the policyholder's self-insured plan. There is no denial of coverage or benefits on the individual group member level.

With respect to compliance with Rule & Regulation 49, N/A. The product submitted for review and approval is group Stop Loss insurance. It is not life insurance, annuity, health or accident insurance that would be purchased by an Arkansas resident.

With respect to Flesch Certification, please see attached Readability Certification.

With respect to compliance with ACA 23-79-138 and Bulletin 11-88, N/A. The product submitted for review and approval is group Stop Loss insurance. The coverage reimburses the group policyholder, not the individual Arkansas resident, for medical claims paid by the policyholder to individual group members under the policyholder's self-insured plan.

**Attachment:**

STOP LOSS SL-2008 READABILITY CERTIFICATION.pdf

**Bypassed -Name:** Application **Review Status:** Approved-Closed 08/16/2008

**Bypass Reason:** The Schedule of Stop Loss, form SLS-2008 submitted with this filing, is the vehicle by which the policyholder's coverage is issued, based on completion by the policyholder of a request for participation form. There is no application form.

**Comments:**

**Satisfied -Name:** Health - Actuarial Justification **Review Status:** Approved-Closed 08/16/2008

*SERFF Tracking Number:*      *ULCC-125762130*                      *State:*                      *Arkansas*  
*Filing Company:*              *The Union Labor Life Insurance Company*      *State Tracking Number:*      *39909*  
*Company Tracking Number:*      *SL-2008*  
*TOI:*                      *H21 Health - Other*                      *Sub-TOI:*                      *H21.000 Health - Other*  
*Product Name:*              *GROUP STOP LOSS INSURANCE POLICY*  
*Project Name/Number:*      */*

**Comments:**

Please see the attached Actuarial Justification and Rating Methodology.

**Attachment:**

STOP LOSS (SL-2008) ACTUARIAL MEMORANDUM AND RATING METHODOLOGY.pdf

SERFF Tracking Number: ULCC-125762130 State: Arkansas  
Filing Company: The Union Labor Life Insurance Company State Tracking Number: 39909  
Company Tracking Number: SL-2008  
TOI: H21 Health - Other Sub-TOI: H21.000 Health - Other  
Product Name: GROUP STOP LOSS INSURANCE POLICY  
Project Name/Number: /

**Review Status:**

**Bypassed -Name:** Outline of Coverage Approved-Closed 08/16/2008  
**Bypass Reason:** N/A. This product is Group Stop Loss coverage, not individual health or group or individual Medicare Supplement or Long Term Care. There is no Outline of Coverage associated with this product line.

**Comments:**

**Review Status:**

**Satisfied -Name:** Stop Loss Policy Variable Approved-Closed 08/16/2008  
Memorandum

**Comments:**

Please see attached Stop Loss Policy Variable Memorandum.

**Attachment:**

STOP LOSS POLICY VARIABLE MEMORANDUM.pdf

# READABILITY CERTIFICATION

I certify that the following forms submitted with this filing achieved the following scores using the Flesch Test Reading Score standards.

<u>Form</u>	<u>Description</u>	<u>Flesch Score</u>
SL-2008	Group Stop Loss Insurance Policy	50.4
SLS-2008	Schedule of Stop Loss	44.1

THE UNION LABOR LIFE INSURANCE COMPANY



By: \_\_\_\_\_

Title: James Messinger, Insurance Operations

Date: August 12, 2008

# THE UNION LABOR LIFE INSURANCE COMPANY

## ACTUARIAL JUSTIFICATION

### POLICY FORM SL-2008

1. SCOPE AND PURPOSE OF FILING

This rate filing is a new filing. The purpose of this rate filing is to justify the rates to be charged, as required by applicable state law. This rate filing is not intended to be used for any other purpose.

2. DESCRIPTION OF BENEFITS

This policy is designed to provide Specific and Aggregate Stop Loss coverage. The policy is designed to reimburse the group policyholder, as opposed to the individual group member, for medical claims paid to the individual group members under self-insured plans.

3. RENEWABILITY CLAUSE

This policy may be canceled on the renewal date with 30 days notice.

4. APPLICABILITY

This is a new filing. The Proposed rates will apply to both new issues and future renewals.

5. MORBIDITY/MORTALITY

Claim costs have been developed using the statistics from:  
Health Maps 2008, Specific Stop Loss Manual and Software Net Monthly Rates, January 2008, Towers Perrin Inc.

Since this policy only covers medical claims, no mortality was assumed in developing rates.

# THE UNION LABOR LIFE INSURANCE COMPANY

## ACTUARIAL JUSTIFICATION

### POLICY FORM SL-2008

6. PERSISTENCY

No lapses have been assumed in the rates.

7. EXPENSES

Total expenses, including provision for profit and contingencies, are assumed to be 30% of premium.

8. MARKETING METHOD

Policies under this form are group policies sold to Taft-Hartley Health and Welfare Funds (Labor Unions) as well as employer groups using salaried sales personnel. The salesperson may sell directly to the group policyholder or through brokers and consultants.

9. UNDERWRITING

Underwriting will be based on the desired plan of benefits.

10. PREMIUM CLASSES

Premiums will vary by the desired plan of benefits.

11. ISSUE AGE RANGES

These rates are applicable for group members age 18 to 99.

12. AREA FACTORS

The premium rates differ by geographic area. Factors as defined in the Towers Perrin Specific Stop Loss Rate Manual are included in the rates to adjust for this.

# THE UNION LABOR LIFE INSURANCE COMPANYH

## ACTUARIAL JUSTIFICATION

### POLICY FORM SL-2008

13. AVAILABLE PREMIUM MODAL FATORS

This coverage is typically only quoted in monthly mode.

14. RESERVES AND LIABILITIES

Pending medical claims are determined from an inventory of issued but not cleared drafts. The liability for incurred but not reported medical claims is determined by applying completion factors (developed from the company's historical claims experience) to claims paid to date.

15. TREND ASSUMTPIONS

A monthly trend factor as defined in the Towers Perrin Specific Stop Loss Rate Manual will be assumed in the premium rates.

16. ANTICIPATED LOSS RATIO

The anticipated loss ratio is 70%.

17. CONTINGENCY AND RISK MARGINS

An implied risk margin of approximately 15% is included in the Starting Rates.

**THE UNION LABOR LIFE INSURANCE COMPANY**

**ACTUARIAL JUSTIFICATION**

**POLICY FORM SL-2008**

18. ACTUARIAL CERTIFICATION

I certify that to the best of my knowledge and belief, the rate filing herein is in compliance with all applicable laws of this state. I further certify that the premiums are not unreasonable in relation to the benefits provided, and that actuarial data and experience shall be maintained by the Company and available for review by the Commissioner of Insurance upon request. In addition, I certify that the rates are not inadequate, excessive, or unfairly discriminatory.

On behalf of The Union Labor Life Insurance Company:

*Victor J. Moran*

Victor J. Moran, F.S.A., M.A.A.A.  
Second Vice President  
Actuarial Operations

**VARIABLE MEMORANDUM  
GROUP STOP LOSS INSURANCE POLICY (“POLICY”) FORM SL-2008  
STOP LOSS SCHEDULE OF BENEFITS FORM SLS-2008**

Variable data is bracketed. This data will vary from case to case, as indicated below. Variable data will never exclude or limit provisions require by state or federal law.

**STOP LOSS SCHEDULE OF BENEFITS**

- All questions on the Stop Loss Schedule of Benefits are variable in order for the applicant Plan Sponsor to elect desired coverage.

**GENERAL POLICY VARIABLES**

The following variables are consistent throughout the Policy:

- Section Numbers/Titles/Headings The section numbers and titles or headings may vary according to the number of sections and titles and headings included in the Policy.
- Definitions applicable to sections or benefits may be moved to the **DEFINITIONS** section at the request of the Plan Sponsor, or visa-versa.

**POLICY FACE PAGE (Page 1)**

- The Union Labor Life Insurance Company (“the Company”) logo and addresses are variable to accommodate any future changes that may occur in such logo or addresses.
- The **POLICY NUMBER** is variable to indicate the actual policy number assigned by the Company.
- The **PLAN SPONSOR** is variable to indicate the actual legal name of the Plan Sponsor.
- The **EFFECTIVE DATE OF POLICY** is variable to indicate the actual effective date of the Policy.
- The jurisdiction in which the Policy is issued is variable to indicate the actual state in which the policy is issued.
- The signatory officer is variable to accommodate any future changes in such officer.

**INDEX (Page 2)**

- The Index is variable in its entirety to accommodate changes in Policy sections and pagination.

**VARIABLE MEMORANDUM  
GROUP STOP LOSS INSURANCE POLICY (“POLICY”) FORM SL-2008  
STOP LOSS SCHEDULE OF BENEFITS FORM SLS-2008  
(continued)**

**DEFINITIONS (Pages 3 – 6)**

- The **DEFINITIONS** section is variable to allow for deletion of inapplicable terms. For instance, if the Policy does not include Aggregate Stop Loss Insurance, terms associate with such insurance will be deleted.

**BENEFIT (Pages 7 – 10)**

- The first sentence in the fourth paragraph under the **SPECIFIC STOP LOSS INSURANCE** provision on page 7 regarding the Aggregated Specific Deductible may be included or excluded based on the election made for Aggregate Stop Loss Insurance by the Plan Sponsor on the Schedule of Stop Loss. If there is no Aggregate Stop Loss Insurance, this sentence will be deleted.
- The **ADVANCE FUNDING** provision on page 8 may be included or excluded based on the election made for Specific Stop Loss Insurance by the Plan Sponsor on the Schedule of Stop Loss.
- The dollar amount, “\$1,000”, in item 1. under the **ADVANCE FUNDING** provision on page 8 is variable to accommodate a lesser or greater dollar amount as determined by The Union Labor Life Insurance Company.
- The fifth paragraph under the **AGGREGATE STOP LOSS INSURANCE** provision on page 9 regarding Aggregate Stop Loss Reimbursement reductions may be included or excluded based on the election made by the Plan Sponsor for Aggregate Accommodation on the Schedule of Stop Loss. If the Plan Sponsor did not elect to include the Aggregate Accommodation option, this paragraph will be deleted.
- The parenthetical phrase regarding coverages in item 8 under the **AGGREGATE STOP LOSS INSURANCE** provision on page 10 is variable to accommodate addition, deletions, or changes in those coverages.
- The **AGGREGATE ACCOMODATION** provision on page 10 is variable in its entirety and can be included or excluded as elected by the Plan Sponsor on the Schedule of Stop Loss.
- The phrase “or the Specific Stop Loss Insurance Benefit” in the third paragraph under the **AGGREGATE ACCOMODATION** provision on page 10 is variable and will be deleted if the Plan Sponsor did not elect to include Specific Stop Loss Insurance on the Schedule of Stop Loss.

**VARIABLE MEMORANDUM  
GROUP STOP LOSS INSURANCE POLICY (“POLICY”) FORM SL-2008  
STOP LOSS SCHEDULE OF BENEFITS FORM SLS-2008  
(continued)**

**DUTIES OF PLAN SPONSOR (Pages 11 – 13)**

- The percentage amount, “seventy-five percent (75%)”, specified in the second paragraph of the **Notice of Claim** provision on page 13 may be a lesser or greater percentage amount as determined by The Union Labor Life Insurance Company.

**EXCLUSIONS (Pages 15 – 16)**

- The phrase “with regards to a Covered Person or Covered Dependent for whom a claim is paid” in item 1. on page 15 will be changed to only include the term “Covered Person” if Plan Participants do not include dependent children as elected by the Plan Sponsor on the Schedule of Stop Loss.
- The terms “Specific” and “Aggregate” in item 15 are variable and may be included or excluded.
- Items 5, 9, 10, 18, 19, and 22 on pages 15 and 16 are variable and may be included or excluded.

**MEDICAL CONVERSION (Page 17)**

- This **MEDICAL CONVERSION** section, page 17, is variable in its entirety and will be included or excluded as elected by the Plan Sponsor on the Schedule of Stop Loss.

**GENERAL PROVISIONS (Pages 19 – 23)**

- The phrase “Administrative Office of the Company” in the first sentence of the first paragraph under the **PREMIUMS AND GRACE PERIOD** provision on page 19 is variable to accommodate any future changes in premium mailings.
- The grace period, “thirty-one (31) days”, in the first sentence of the second paragraph under the **PREMIUMS AND GRACE PERIOD** provision on page 19 is variable. Be assured that in no event will the grace period be any less than thirty-one (31) days.
- The last paragraph under the **PREMIUMS AND GRACE PERIOD** provision on page 19 and the last sentence in the paragraph are variable in their entirety and may be included or excluded as determined by The Union Labor Life Insurance Company.
- The percentage amount, “\_\_\_\_%”, in the last sentence of the last paragraph under the **PREMIUMS AND GRACE PERIOD** provision on page 19 is variable to reflect the current interest rate charged by The Union Labor Life Insurance Company.

**VARIABLE MEMORANDUM  
GROUP STOP LOSS INSURANCE POLICY (“POLICY”) FORM SL-2008  
STOP LOSS SCHEDULE OF BENEFITS FORM SLS-2008  
(continued)**

**GENERAL PROVISIONS (Pages 19 – 23)**

- The percentage amount, “ten percent (10%)”, in item 1 under the **PREMIUM RATES & DEDUCTIBLE FACTORS** provision on page 19 is variable and may be a lesser or greater percentage amount as determined by The Union Labor Life Insurance Company.
- The number, “forty-nine 49 or less” in item 1 under the **TERMINATION BY INSURER** provision on page 20 is variable and may be greater as determined by The Union Labor Life Insurance Company. Be assured that in no event will the number be less than 49.
- The time period, “for three (3) consecutive months”, in item 1 under the **TERMINATION BY INSURER** provision on page 20 is variable and may be a lesser or greater period of time as determined by The Union Labor Life Insurance Company.
- Item 5 under the **TERMINATION BY INSURER** provision on page 21 is variable and may be included or excluded as determined by The Union Labor Life Insurance Company.
- The time period, “30 days”, in the second paragraph under the **RENEWAL** provision on page 21 is variable and may be a greater period of time as determined by The Union Labor Life Insurance Company, state, or federal law. Be assured that in no event will the time period for renewal notification be less than 30 days.
- The time periods, “60 days” and “three years”, under the **LEGAL ACTION** provision on page 22 are variable and may be a greater period of time as determined by The Union Labor Life Insurance Company, state, or federal law. Be assured that in no event will the time periods for legal action be less than 60 days and three years.