

SERFF Tracking Number: ZURC-128496302 State: Arkansas
Filing Company: Zurich American Insurance Company State Tracking Number:
Company Tracking Number: CW AH 34709
TOI: H12 Health - Excess/Stop Loss Sub-TOI: H12.004 Self-Funded Health Plan
Product Name: Medical Stop Loss - Revised Statement of Variables
Project Name/Number: CW AH 34709 - Medical Stop Loss - Revised Statement of Variables/CW AH 34709

Filing at a Glance

Company: Zurich American Insurance Company

Product Name: Medical Stop Loss - Revised SERFF Tr Num: ZURC-128496302 State: Arkansas

Statement of Variables

TOI: H12 Health - Excess/Stop Loss SERFF Status: Closed-Approved- State Tr Num:
Closed

Sub-TOI: H12.004 Self-Funded Health Plan Co Tr Num: CW AH 34709 State Status: Approved-Closed

Filing Type: Form

Author: Patricia Chudik

Reviewer(s): Rosalind Minor

Date Submitted: 06/20/2012

Disposition Date: 06/21/2012

Disposition Status: Approved-Closed

Implementation Date Requested: On Approval

Implementation Date:

State Filing Description:

General Information

Project Name: CW AH 34709 - Medical Stop Loss - Revised Statement of Variables Status of Filing in Domicile: Not Filed

Project Number: CW AH 34709

Date Approved in Domicile:

Requested Filing Mode: Review & Approval

Domicile Status Comments:

Explanation for Combination/Other:

Market Type: Group

Submission Type: New Submission

Group Market Size: Small and Large

Group Market Type: Employer

Overall Rate Impact:

Filing Status Changed: 06/21/2012

State Status Changed: 06/21/2012

Deemer Date:

Created By: Patricia Chudik

Submitted By: Patricia Chudik

Corresponding Filing Tracking Number:

Filing Description:

This is a revised Statement of Variables for our Stop Loss Policy, which was previously filed with and approved by your Department in state tracking number 45460.

In order to meet the needs of our customers, we are submitting a revised Statement of Variables to reflect a lower minimum number of lives.

For your convenience, we have included redlined and clean versions of the amended Statement of Variables.

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State Narrative:

Company and Contact

Filing Contact Information

Patricia Chudik, Product Analyst pat.chudik@zurichna.com
 1400 American Lane 847-605-7714 [Phone]
 Schaumburg, IL 60196-1056 847-605-7768 [FAX]

Filing Company Information

Zurich American Insurance Company	CoCode: 16535	State of Domicile: New York
1400 American Lane	Group Code: 212	Company Type:
Schaumburg, IL 60102	Group Name:	State ID Number:
(847) 605-6000 ext. [Phone]	FEIN Number: 36-4233459	

Filing Fees

Fee Required? Yes
 Fee Amount: \$50.00
 Retaliatory? No
 Fee Explanation: Arkansas's fee is \$50.00 per filing.
 Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Zurich American Insurance Company	\$50.00	06/20/2012	60291799

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved-Closed	Rosalind Minor	06/21/2012	06/21/2012

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Disposition

Disposition Date: 06/21/2012

Implementation Date:

Status: Approved-Closed

Comment:

Rate data does NOT apply to filing.

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Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Application	Approved-Closed	Yes
Supporting Document	Flesch Certification	Approved-Closed	Yes
Supporting Document	Revised Statement of Variables	Approved-Closed	Yes
Supporting Document	Redlined copy and explanatory memorandum	Approved-Closed	Yes

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Supporting Document Schedules

		Item Status:	Status Date:
Bypassed - Item:	Application	Approved-Closed	06/21/2012
Bypass Reason:	Not applicable		
Comments:			

		Item Status:	Status Date:
Bypassed - Item:	Flesch Certification	Approved-Closed	06/21/2012
Bypass Reason:	Not applicable		
Comments:			

		Item Status:	Status Date:
Satisfied - Item:	Revised Statement of Variables	Approved-Closed	06/21/2012
Comments:			
Attachment:			
	U-MSL-5000-B AR - SOV CLN.pdf		

		Item Status:	Status Date:
Satisfied - Item:	Redlined copy and explanatory memorandum	Approved-Closed	06/21/2012
Comments:			
Attachments:			
	U-MSL-5000-B AR - SOV RED.pdf		
	U-MSL-5000 - Amended SOV Explanatory Memorandum.pdf		

Statement of Variables for Arkansas



Zurich American Insurance Company

STOP LOSS POLICY

Cover Page

Policyholder: Name of Policyholder including subsidiary companies.
Policy Number: Policy Number of Policy.
Effective Date: From: [] To: [] Effective date and termination date of Policy.

SECTION I – APPLICATION FOR STOP LOSS INSURANCE COVERAGE

[Renewal] This will be in or out.

SECTION II – SCHEDULE OF STOP LOSS INSURANCE

Covered Units at Effective Date:

[Employees] The range will be 15 and above.
[Single] The range will be 0 and above.
[Family] The range will be 0 and above.

Policy Period from [] through [] The dates the Policy will be in effect.

Minimum number of lives and/or participation: The range will be 15 and above.

SECTION II – SPECIFIC STOP LOSS

Specific Deductible per Covered Person: [\$100,000] Varies by calculation, but will not be less than \$10,000.

Lifetime Limit of Liability per Covered Person: [\$900,000] Varies by calculation and may be Unlimited to mirror the **Policyholder's Plan(s)**, which are subject to the Patient Protection and Affordable Care Act.

Claims Basis:

Incurred and Paid [12/12] Varies by coverage selected, e.g. 5/5, 9/9, 12/12
Run-In [15/12] Varies by coverage selected, e.g. 36/12, 24/12, 18/12.
Run-Out [12/15] Varies by coverage selected, e.g. 12/15, 12/18, 12/24.
[Other] Varies by coverage selected, e.g. 11/14, 14/11, 5/8.

Benefit Period: Incurred from [] to []
Paid from [] to [] Period in which claims are Incurred and Paid.

[It is hereby understood and agreed...Only **Plan Benefits** that are both **Incurred** and **Paid** by the **Policyholder** within the [12] month **Policy Period** are reimbursable...] This will be in if the Applicant selects an Incurred and Paid Claims Basis.
Varies by coverage selected, e.g. 5, 9, 12

[It is hereby understood and agreed...Only **Plan Benefits** that are both **Incurred** and **Paid** within the **Benefit Period** are reimbursable...] This will be in if the Applicant selects a Run-In (15/12), Other Run-In (e.g. 14/11), or Paid Claims Basis.

Specific Percentage Reimbursable: [100%] The range will be 5% - 100%.

[Plan Benefits for...at Policyholder's facilities... [80%]
Plan Benefits for...at outside facilities...[100%] This will be in or out. The range will be 0%-80%.
The range will be 0%-100%.

[Losses **Incurred** prior to the **Policy Period** will be limited to \$]

This will be in or out and the amount varies by calculation.

[**Aggregating Specific Deductible:** \$]

This will be in or out and the amount varies by calculation.

SECTION II – AGGREGATE STOP LOSS

Claims Basis:

Incurred and Paid [12/12]

Run-In [15/12]

Run-Out [12/15]

[Other]

Varies by coverage selected, e.g. 5/5, 9/9, 12/12

Varies by coverage selected, e.g. 36/12, 24/12, 18/12.

Varies by coverage selected, e.g. 12/15, 12/18, 12/24.

Varies by coverage selected, e.g. 11/14, 14/11, 5/8.

Benefit Period: Incurred from [] to []
Paid from [] to []

Period in which claims are Incurred and Paid.

[It is hereby understood and agreed...Only **Plan Benefits** that are both **Incurred** and **Paid** by the **Policyholder** within the [12] month **Policy Period** are reimbursable...]

This will be in if the Applicant selects an Incurred and Paid Claims Basis.

Varies by coverage selected, e.g. 5, 9, 12

[It is hereby understood and agreed...Only **Plan Benefits** that are both **Incurred** and **Paid** within the **Benefit Period** are reimbursable...]

This will be in if the Applicant selects a Run-In (15/12), Other Run-In (e.g. 14/11), or Paid Claims Basis.

Aggregate **Percentage Reimbursable:** [100%]

The range will be 5% - 100%.

[**Plan Benefits** for...at **Policyholder's** facilities... [80%]
Plan Benefits for...at outside facilities...[100%]]

This will be in or out. The range will be 0%-80%.
The range will be 0%-100%.

Monthly Aggregate **Deductible** Factors:

[\$275.00 Employee/Composite]

[\$150.00 Single]

[\$350.00 Family]

Varies by calculation.

Varies by calculation.

Varies by calculation.

Minimum **Annual Aggregate Deductible:**

[\$900,000]

[90%]

Varies by calculation.

The range will be 80%-100%.

Limit of Liability for the **Policy Period:** [\$1,000,000]

Varies by calculation, but will not be more than \$2,000,000.

Loss Limit per **Covered Person** for the **Policy Period:**
[\$100,000]

Varies by calculation and will be equal to the Specific Deductible.

[Losses **Incurred** prior to the **Policy Period** will be limited to \$]

This will be in or out and the amount varies by calculation.

SECTION II – PREMIUMS

Specific:

[Monthly]

[\$275.00 Employee]

[\$150.00 Single]

[\$350.00 Family]

Will be either bi-weekly, semi-monthly, or annually.

Varies by calculation.

Varies by calculation.

Varies by calculation.

[Minimum Annual Specific Premium:] [\$50,000]

This will be in or out and the amount will not be greater than 75% of the calculated annual premium.

[Specific Terminal Liability:]

[Monthly]

[\$275.00 Employee]

This will be in or out.

Will be either bi-weekly, semi-monthly, or annually.

Varies by calculation.

[\$150.00 Single] [\$350.00 Family]	Varies by calculation. Varies by calculation.
Aggregate: [Monthly] [\$2.75 Employee] [\$5,000 Annual]	Will be either bi-weekly, semi-monthly, or annually. Varies by calculation. Varies by calculation.
[Monthly Aggregate Accommodation:] [\$2.00 Employee]	This will be in or out. Varies by calculation and the range will be \$0.00-\$5.00
[Aggregate Terminal Liability:] [1.00 Employee]	This will be in or out. Varies by calculation and the range will be \$0.00-\$5.00

SECTION II – ENDORSEMENTS INCLUDED

[Monthly Aggregate Accommodation]	This will be in or out.
[Aggregate Terminal Liability]	This will be in or out.
[Specific Terminal Liability]	This will be in or out.
[Other]	This will be in or out.

SECTION II – INSURANCE FRAUD WARNING

[Any person who with intent to defraud...is guilty of insurance fraud and is subject to criminal and/or civil penalties.]	Varies by State
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SECTION III – DEFINITIONS

[AGGREGATING SPECIFIC DEDUCTIBLE...]	This will be in or out.
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COVERED BENEFITS

[Benefits for occupational accidents and illness and fees for administration purposes are not Covered Benefits .]	This will be in or out.
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DEDUCTIBLE(S)

[or Aggregating Specific Deductible]	This will be in or out.
--	-------------------------

INCURRED

[; or (3) with respect to disability income benefits, on the date each periodic benefit payment becomes payable to the Covered Person]	This will be in or out.
--	-------------------------

POLICYHOLDER

[Renewal]	This will be in or out.
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[REASONABLE AND CUSTOMARY CHARGE...]

[published by [Ingenix]	This will be in or out. If in: The R&C data tables will be as published by Ingenix, Captiva, McKesson, or other reputable vendor.
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[maintained by the Policyholder's Third Party Administrator]	This will be in or out.
--	-------------------------

or 3) the [90 th] percentile	The range will be 50%-100%
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SECTION IV – SPECIFIC STOP LOSS

[If Specific Advance Funding is applicable as shown in the SCHEDULE OF STOP LOSS INSURANCE the Company will pay the Specific Stop Loss benefit in advance of the payment by the Policyholder provided:	This will be in or out. If in:
--	--------------------------------

1. the Specific Stop Loss payment exceeds the Specific **Deductible**, and
2. the **Policyholder** has submitted proof that **Plan Benefits** have satisfied the Specific **Deductible**, and
3. the **Company** has received all of the **Proof of Loss** information it requires; and
4. the above requirements must be satisfied within the **Benefit Period**.

The continued availability of Specific Advance Funding is subject to:

1. the **Policyholder** providing the **Company** with a copy of the front of the check payable to the provider within [ten (10)] days of the payment from the **Company**; and The range will be 5 - 90 days
2. the **Policyholder** providing the **Company** with a copy of the front and back of the canceled check payable to the provider within [forty-five (45)] days of the receipt by the **Policyholder** of the payment from the **Company**. The range will be 30 - 90 days.

If the requirements for Specific Advance Funding are met, **Plan Benefits** which qualify for Specific Advance Funding shall be considered as **Paid**.]

SECTION VII – PREMIUMS AND AGGREGATE FACTORS

A grace period of [thirty-one (31)] days The range will be 31 - 90 days.

3. The date an increase or decrease in the number of **Covered Units** exceeds [10%] in any one month or [15%] from the number of **Covered Units** on the first (1st) day of the **Policy** effective date The range will be 10% - 30%.
The range will be 10% - 30%.

SECTION VIII – CLAIM PROVISIONS

SPECIFIC STOP LOSS COVERAGE

Proof of Loss form within [thirty (30)] days The range will be 10 - 60 days.

[or by the exercise of reasonable due diligence should have become aware] This will be in or out.

at least [\$50,000.00] or fifty (50%) of the Specific **Deductible** The range will be \$5,000 - \$50,000.

The **Policyholder** or **Third Party Administrator** will also comply with other claim reporting requirements, provided the **Company** sends written notice to the **Policyholder** or **Third Party Administrator** of these requirements and allows the **Policyholder** or **Third Party Administrator** [thirty (30)] days to begin complying with the new requirements. The range will be 30 - 90 days.

[Failure to furnish written notice will not invalidate or reduce any claim if it was not reasonably possible to provide such written notice within the time period required.] This will be in or out.

[If the **Company** determines it was reasonably possible to provide written notice in accordance with the provisions of this paragraph, the **Company** may adjust the reimbursement to reflect savings the **Company** may have obtained had the **Company** received notice within [thirty (30)] days.] This will be in or out. If in:

The range will be 10 - 60 days.

In no event will the **Company** be liable for any claims submitted for reimbursement more than [twelve (12)] months after the end of the **Benefit Period**.

The range will be 3 - 24 months.

SECTION VIII – CLAIM PROVISIONS AGGREGATE STOP LOSS COVERAGE

Proof of Loss, in a form and content satisfactory to the **Company**, must be given within [thirty-one (31)]

The range will be 10 - 60 days.

Proof of Loss may not be given later than [twelve (12)] months after the end of the **Benefit Period**.

The range will be 3 - 24 months.

The **Policyholder** will also comply with other claim reporting requirements, provided that the **Company** sends written notice to the **Policyholder** of these requirements and allows the **Policyholder** [thirty (30)] days to begin complying with the new requirements.

The range will be 30 - 90 days.

SECTION IX – EXCLUSIONS AND LIMITATIONS

17. [Expenses related to drug and alcohol addiction [or mental illness] shall be limited to the lesser of the underlying **Plan** maximum or the Specific **Deductible**].

This will be in or out.

18. [Expenses relating to:

This will be in or out.

- a. non-human organ/tissue transplants
- b. invitro-fertilization
- c. expenses relating to radial keratotomy
- d. expenses relating to reversal of voluntary sterilization
- e. gene therapy
- f. cloning]

19. [Charges billed by a hospital or facility, which are in excess of:

This will be in or out. If in:

- a. [the manufacturer's invoice plus [20]% for medical/surgical supplies and devices billed under the following revenue codes, as published by the National Uniform Billing Committee, including but not limited to:
 - 1) 274 - Prosthetic/orthotic devices
 - 2) 275 - Pacemaker
 - 3) 276 - Intraocular lens
 - 4) 277 - Other implants
 - 5) 278 - Other supplies/devices
 - 6) 279 - Other supplies/devices

The range will be 5% - 50%.

If the manufacturer's invoice is not made available to the **Company**, charges billed under the above revenue codes will be limited to the manufacturer's suggested retail price plus [20]%.

The range will be 5% - 50%.

b. [the average wholesale price (AWP) for prescription drugs billed under the following revenue codes, as published by the National Uniform Billing Committee, including but not limited to:

This will be in or out. If in:

- 1) 250 - General
- 2) 251 - Generic drugs
- 3) 252 - Nongeneric drugs
- 4) 253 - Take-home drugs

- 5) 259 - Other pharmacy
- 6) 630 - General
- 7) 631 - Single source drug
- 8) 632 - Multiple source drug
- 9) 633 - Restrictive prescription
- 10) 634 - Erythropoietin (EPO) less than 10,000 units
- 11) 635 - Erythropoietin (EPO) 10,000 or more units
- 12) 636 - Drugs requiring detailed coding
- 13) 637 - Self-Administrable drugs

The average wholesale price allowable will be based on the most current version of [RED BOOK by Thomson Micromedex.]

The average wholesales price will be as published by RED BOOK by Thomson Micromedex, Price Point Rx by First DataBank, Price Rx Select by Medi-Span, or other reputable vendor.

20. [Charges in excess of the **Reasonable and Customary Charge**, whether or not the service or supply was rendered by a provider participating in a **Provider Network(s)**.]

This will be in or out.

SECTION X – TERMINATION

By the Policyholder

giving the **Company** at least [thirty-one (31)] days

The range will be 31 - 90 days.

By the Company

1. ...does not rectify such failures within [ten (10)] days...

The range will be 10 - 30 days.

3. ...or insurance plans exceeds [40%] of employees...

The range will be 25% - 60%.

5. ...allow the **Policyholder** [ninety (90)] calendar days...

The range will be 30 - 120 days.

6. ...giving the **Policyholder** at least [thirty (30)] days...

The range will be 30 - 120 days.

Automatic

5. [sixty (60)] days after the Effective Date if the **Policyholder** has failed to furnish the **Company** with any information or materials requested by the **Company**.

The range will be 30 - 90 days.

If such amounts paid by the **Company** are greater than the amount of the refund due the **Policyholder**, the **Policyholder** shall pay the amount of the deficit to the **Company** within [thirty (30)] days of notice from the **Company**.

The range will be 15 - 60 days.

If repayment in full is not made within this [thirty (30)] day period, the **Company** will be entitled to assess monthly a late payment fee equal to [1.5%] of the outstanding balance.

The range will be 15 - 60 days.

The range will be 1.5% - 3%.

SECTION XI – GENERAL PROVISIONS

Entire Policy

[Renewal]

This will be in or out.

Third Party Administrator

[Renewal]

This will be in or out.

The **Policyholder** must provide written notice to the **Company** at least [sixty (60)] days prior to the effective

The range will be 30 - 90 days.

date of change.

Reporting

The **Policyholder** will submit by the [fifteenth (15th)] day of each month... The range will be 10 - 20 days.

Records

The **Policyholder** will maintain records of all **Covered Persons** under the **Plan** during the **Policy Period** and for a period of [seven (7)] years after termination of the **Policy**. The range will be 1 - 50 years.

Clerical Error

The **Company** will within [fifteen (15)] days of receipt of corrected data decide the corrective course of action under the terms of Misstated Data provision below. The range will be 15 - 60 days.

Misstated Data

1. ...the **Policyholder** shall pay the amount of the deficit to the **Company** within [thirty (30)] days of notice from the Company. The range will be 15 - 60 days.

...If repayment in full is not made within this [thirty (30)] day period, The range will be 15 - 60 days.

...the **Company** will be entitled to assess monthly a late payment fee equal to [1.5%] of the outstanding balance; The range will be 1.5% - 3%.

Provider Network(s)

...[The **Policyholder** or **Third Party Administrator** will provide the **Company** with the corresponding **Provider Network(s)** contract(s), upon request.]... This will be in or out.

...submitted to the **Company** at least [sixty (60)] days... The range will be 30 - 90 days.

Suit Against the Company

No suit, action or proceeding against the **Company** for the recovery of any claim will be sustained in any court of law or equity unless: the **Policyholder** has fully complied with all the provisions of this **Policy** and legal action is started within [twelve (12)] months after the end of the **Benefit Period**. The range will be 12 - 24 months.

If under the insurance laws of the applicable jurisdiction such [twelve (12)] months limitation is invalid, then any such legal action needs to be started within the shortest limit of time permitted by such laws. The range will be 12 - 24 months.

ENDORSEMENTS

Policyholder Disclosure Statement

The attached disclosure form must be completed and signed by the appropriate parties no more than [thirty (30)] days prior to the proposed Effective Date of Stop Loss coverage and received by the Company within [five (5)] days of completion. The range will be 15 - 90 days.
The range will be 5 - 30 days.

Upon receipt of the completed disclosure, the **Company** will assess all data, new and previously reported, and will inform the producer in writing within [five (5)] days of any changes to the rates, factors or terms of coverage. The range will be 5 - 30 days.

List on the Disclosure Form all persons who are known to:
4. Have been diagnosed within the past twelve months, with a condition represented by any of the ICD-9 codes contained in the attached list [and have also received medical services costing \$5,000 during the same period]

This will be in or out.

ASO Specific Terminal Liability

TERMINAL LIABILITY EXTENSION PERIOD means [three (3)] consecutive calendar months...

The range will be 3 - 6 consecutive calendar months.

If the **Policyholder** terminates the Administrative Services Only Agreement with [], the **Company** will extend the Specific Stop Loss Coverage for an additional [three (3)] months...

This will vary based on the ASO provider, i.e., AETNA, Blue Cross, Cigna, United Healthcare, etc.
The range will be 3 - 6 months.

Policyholder must notify the **Company** within [thirty (30)] days...

The range will be 30 - 60 days.

Multiplied by [three (3)].

The range will be 3 - 6.

Specific Terminal Liability

TERMINAL LIABILITY EXTENSION PERIOD means [three (3)] consecutive calendar months...

The range will be 3 - 6 consecutive calendar months.

the **Company** will extend the Specific Stop Loss Coverage for an additional [three (3) months]

The range will be 3 - 6 months.

Aggregate Terminal Liability

Monthly Terminal Liability Extension Factors:
[\$442.78 Single]
[\$1,100.94 Family]

Varies by calculation.
Varies by calculation.

TERMINAL LIABILITY EXTENSION PERIOD means [three (3)] consecutive calendar months...

The range will be 3 - 6 consecutive calendar months.

- a. multiply the Monthly Terminal Liability Extension Factors (indicated above) by the average number of **Covered Units** for the [three (3)] month period immediately preceding the termination date;
- b. multiply by [three (3)];

The range will be 3 - 6.

The range will be 3 - 6.

the **Company** will extend the Aggregate Stop Loss Coverage for an additional [three (3)] months

The range will be 3 - 6.

- c. ...the **Policyholder's** obligation is an additional premium of [\$1.00]...

The range will be \$0.00 - \$5.00.

Monthly Aggregate Accommodation

After the end of the [fourth (4th)] month that this **Policy** has been in force and through the [eleventh (11th)] month...

The range will be 1 - 6 months.
The range will be 5 - 11 months.

...within [ten (10)] days after the **Company's** acceptance...

The range will be 5 - 20 days.

...multiply the number of initial **Covered Units** as shown in the SCHEDULE OF STOP LOSS INSURANCE by [100%]

The range will be 80% - 100%.

...repay the **Company** the difference between these two amounts, within [ten (10)] days...

The range will be 5 - 20 days.

...repay the **Company** any amounts paid under the Monthly Aggregate Accommodation within [10] days...

The range will be 5 - 20 days.

...the **Company** will be entitled to assess monthly a late payment fee equal to [1.5%]...

The range will be 1.5% - 3%.

Separate Deductible or Benefit Period SPECIFIC STOP LOSS

[Claims Basis: _____]

Benefit Period: Eligible **Plan Benefits Incurred** from [January 1, 2001] through [December 31, 2001] and **Paid** from [January 1, 2001] through [December 31, 2001]]

This will be in or out. If in:

Period in which claims are incurred and paid.

[Specific **Deductible** for **Covered Person:**
[\$100,000]

This will be in or out. If in:

Varies by calculation, but will not be less than \$10,000. Varies by calculation and may be Unlimited to mirror the **Policyholder's Plan(s)**, which are subject to the Patient Protection and Affordable Care Act.

Lifetime Limit of Liability for **Covered Person:**[\$900,000]]

[AGGREGATE STOP LOSS

[Claims Basis: _____]

Benefit Period: Eligible **Plan Benefits Incurred** from [January 1, 2001] through [December 31, 2001] and **Paid** from [January 1, 2001] through [December 31, 2001]]

This will be in or out. If in:

This will be in or out. If in:

Period in which claims are incurred and paid.

Loss Limit for Covered Person for the Policy Period:
[\$100,000]]

Varies by calculation and will be equal to the Specific Deductible.

Family Coverage

SPECIFIC STOP LOSS

Specific **Deductible** per **Covered Family:** [\$100,000]

Varies by calculation, but will not be less than \$10,000.

Lifetime Limit of Liability per **Covered Family:**
[\$900,000]

Varies by calculation and may be Unlimited to mirror the **Policyholder's Plan(s)**, which are subject to the Patient Protection and Affordable Care Act.

AGGREGATE STOP LOSS

Loss Limit per **Covered Family** for the **Policy Period:**
[\$100,000]

Varies by calculation and will be equal to the Specific Deductible.

Organ and Tissue Transplant Coverage

[Any charge which is covered in whole or in part under an organ and/or tissue transplant insurance policy is not an **Eligible Claim Expense** under this **Policy**.]

This will be in if the organ and/or tissue transplant insurance policy is NOT issued by a Zurich Company. Otherwise, it will be out.

[Any charge which is covered in whole or in part under the Zurich Company Policy No. xx-xx-xxx is not an **Eligible Claim Expense** under this **Policy**.]

This will be in if the organ and/or tissue transplant insurance policy is issued by a Zurich Company. Otherwise, it will be out.

Blank Endorsement

[This endorsement will be used to make the following

Varies by use.

changes to the **Policy** which are administrative in nature:

(1) changes to the SCHEDULE OF STOP LOSS INSURANCE page; (2) additions or deletions of a subsidiary of the **Policyholder**; (3) modifications which comply with the variable items in the policy filing such as the Specific **Deductible**, Claims Basis, **Aggregating Specific Deductible**]

Statement of Variables for Arkansas



Zurich American Insurance Company

STOP LOSS POLICY

Cover Page

Policyholder: Name of Policyholder including subsidiary companies.
Policy Number: Policy Number of Policy.
Effective Date: From: [] To: [] Effective date and termination date of Policy.

SECTION I – APPLICATION FOR STOP LOSS INSURANCE COVERAGE

[Renewal] This will be in or out.

SECTION II – SCHEDULE OF STOP LOSS INSURANCE

Covered Units at Effective Date:

[Employees] The range will be ~~25-15~~ and above.
[Single] The range will be 0 and above.
[Family] The range will be 0 and above.

Policy Period from [] through [] The dates the Policy will be in effect.

Minimum number of lives and/or participation: The range will be ~~25-15~~ and above.

SECTION II – SPECIFIC STOP LOSS

Specific Deductible per Covered Person: [\$100,000] Varies by calculation, but will not be less than \$10,000.

Lifetime Limit of Liability per Covered Person: [\$900,000] Varies by calculation and may be Unlimited to mirror the **Policyholder's Plan(s)**, which are subject to the Patient Protection and Affordable Care Act.

Claims Basis:

Incurred and Paid [12/12] Varies by coverage selected, e.g. 5/5, 9/9, 12/12
Run-In [15/12] Varies by coverage selected, e.g. 36/12, 24/12, 18/12.
Run-Out [12/15] Varies by coverage selected, e.g. 12/15, 12/18, 12/24.
[Other] Varies by coverage selected, e.g. 11/14, 14/11, 5/8.

Benefit Period: Incurred from [] to []
Paid from [] to [] Period in which claims are Incurred and Paid.

[It is hereby understood and agreed...Only **Plan Benefits** that are both **Incurred** and **Paid** by the **Policyholder** within the [12] month **Policy Period** are reimbursable...] This will be in if the Applicant selects an Incurred and Paid Claims Basis.
Varies by coverage selected, e.g. 5, 9, 12

[It is hereby understood and agreed...Only **Plan Benefits** that are both **Incurred** and **Paid** within the **Benefit Period** are reimbursable...] This will be in if the Applicant selects a Run-In (15/12), Other Run-In (e.g. 14/11), or Paid Claims Basis.

Specific Percentage Reimbursable: [100%] The range will be 5% - 100%.

[Plan Benefits for...at Policyholder's facilities... [80%]
Plan Benefits for...at outside facilities...[100%]] This will be in or out. The range will be 0%-80%.
The range will be 0%-100%.

[Losses **Incurred** prior to the **Policy Period** will be limited to \$]

This will be in or out and the amount varies by calculation.

[**Aggregating Specific Deductible:** \$]

This will be in or out and the amount varies by calculation.

SECTION II – AGGREGATE STOP LOSS

Claims Basis:

Incurred and Paid [12/12]

Run-In [15/12]

Run-Out [12/15]

[Other]

Varies by coverage selected, e.g. 5/5, 9/9, 12/12

Varies by coverage selected, e.g. 36/12, 24/12, 18/12.

Varies by coverage selected, e.g. 12/15, 12/18, 12/24.

Varies by coverage selected, e.g. 11/14, 14/11, 5/8.

Benefit Period: Incurred from [] to []
Paid from [] to []

Period in which claims are Incurred and Paid.

[It is hereby understood and agreed...Only **Plan Benefits** that are both **Incurred** and **Paid** by the **Policyholder** within the [12] month **Policy Period** are reimbursable...]

This will be in if the Applicant selects an Incurred and Paid Claims Basis.

Varies by coverage selected, e.g. 5, 9, 12

[It is hereby understood and agreed...Only **Plan Benefits** that are both **Incurred** and **Paid** within the **Benefit Period** are reimbursable...]

This will be in if the Applicant selects a Run-In (15/12), Other Run-In (e.g. 14/11), or Paid Claims Basis.

Aggregate **Percentage Reimbursable:** [100%]

The range will be 5% - 100%.

[**Plan Benefits** for...at **Policyholder's** facilities... [80%]
Plan Benefits for...at outside facilities...[100%]]

This will be in or out. The range will be 0%-80%.
The range will be 0%-100%.

Monthly Aggregate **Deductible** Factors:

[\$275.00 Employee/Composite]

[\$150.00 Single]

[\$350.00 Family]

Varies by calculation.

Varies by calculation.

Varies by calculation.

Minimum **Annual Aggregate Deductible:**

[\$900,000]

[90%]

Varies by calculation.

The range will be 80%-100%.

Limit of Liability for the **Policy Period:** [\$1,000,000]

Varies by calculation, but will not be more than \$2,000,000.

Loss Limit per **Covered Person** for the **Policy Period:**
[\$100,000]

Varies by calculation and will be equal to the Specific Deductible.

[Losses **Incurred** prior to the **Policy Period** will be limited to \$]

This will be in or out and the amount varies by calculation.

SECTION II – PREMIUMS

Specific:

[Monthly]

[\$275.00 Employee]

[\$150.00 Single]

[\$350.00 Family]

Will be either bi-weekly, semi-monthly, or annually.

Varies by calculation.

Varies by calculation.

Varies by calculation.

[Minimum Annual Specific Premium:] [\$50,000]

This will be in or out and the amount will not be greater than 75% of the calculated annual premium.

[Specific Terminal Liability:]

[Monthly]

[\$275.00 Employee]

This will be in or out.

Will be either bi-weekly, semi-monthly, or annually.

Varies by calculation.

[\$150.00 Single] [\$350.00 Family]	Varies by calculation. Varies by calculation.
Aggregate: [Monthly] [\$2.75 Employee] [\$5,000 Annual]	Will be either bi-weekly, semi-monthly, or annually. Varies by calculation. Varies by calculation.
[Monthly Aggregate Accommodation:] [\$2.00 Employee]	This will be in or out. Varies by calculation and the range will be \$0.00-\$5.00
[Aggregate Terminal Liability:] [1.00 Employee]	This will be in or out. Varies by calculation and the range will be \$0.00-\$5.00

SECTION II – ENDORSEMENTS INCLUDED

[Monthly Aggregate Accommodation]	This will be in or out.
[Aggregate Terminal Liability]	This will be in or out.
[Specific Terminal Liability]	This will be in or out.
[Other]	This will be in or out.

SECTION II – INSURANCE FRAUD WARNING

[Any person who with intent to defraud...is guilty of insurance fraud and is subject to criminal and/or civil penalties.]	Varies by State
---	-----------------

SECTION III – DEFINITIONS

[AGGREGATING SPECIFIC DEDUCTIBLE...]	This will be in or out.
--------------------------------------	-------------------------

COVERED BENEFITS

[Benefits for occupational accidents and illness and fees for administration purposes are not Covered Benefits .]	This will be in or out.
--	-------------------------

DEDUCTIBLE(S)

[or Aggregating Specific Deductible]	This will be in or out.
--	-------------------------

INCURRED

[; or (3) with respect to disability income benefits, on the date each periodic benefit payment becomes payable to the Covered Person]	This will be in or out.
--	-------------------------

POLICYHOLDER

[Renewal]	This will be in or out.
-----------	-------------------------

[REASONABLE AND CUSTOMARY CHARGE...]

[published by [Ingenix]	This will be in or out. If in: The R&C data tables will be as published by Ingenix, Captiva, McKesson, or other reputable vendor.
-------------------------	--

[maintained by the Policyholder's Third Party Administrator]	This will be in or out.
--	-------------------------

or 3) the [90 th] percentile	The range will be 50%-100%
--	----------------------------

SECTION IV – SPECIFIC STOP LOSS

[If Specific Advance Funding is applicable as shown in the SCHEDULE OF STOP LOSS INSURANCE the Company will pay the Specific Stop Loss benefit in advance of the payment by the Policyholder provided:	This will be in or out. If in:
--	--------------------------------

1. the Specific Stop Loss payment exceeds the Specific **Deductible**, and
2. the **Policyholder** has submitted proof that **Plan Benefits** have satisfied the Specific **Deductible**, and
3. the **Company** has received all of the **Proof of Loss** information it requires; and
4. the above requirements must be satisfied within the **Benefit Period**.

The continued availability of Specific Advance Funding is subject to:

- | | |
|---|---------------------------------|
| <ol style="list-style-type: none"> 1. the Policyholder providing the Company with a copy of the front of the check payable to the provider within [ten (10)] days of the payment from the Company; and | The range will be 5 - 90 days |
| <ol style="list-style-type: none"> 2. the Policyholder providing the Company with a copy of the front and back of the canceled check payable to the provider within [forty-five (45)] days of the receipt by the Policyholder of the payment from the Company. | The range will be 30 - 90 days. |

If the requirements for Specific Advance Funding are met, **Plan Benefits** which qualify for Specific Advance Funding shall be considered as **Paid**.]

SECTION VII – PREMIUMS AND AGGREGATE FACTORS

A grace period of [thirty-one (31)] days	The range will be 31 - 90 days.
--	---------------------------------

- | | |
|---|---|
| <ol style="list-style-type: none"> 3. The date an increase or decrease in the number of Covered Units exceeds [10%] in any one month or [15%] from the number of Covered Units on the first (1st) day of the Policy effective date | <p>The range will be 10% - 30%.</p> <p>The range will be 10% - 30%.</p> |
|---|---|

SECTION VIII – CLAIM PROVISIONS
SPECIFIC STOP LOSS COVERAGE

Proof of Loss form within [thirty (30)] days	The range will be 10 - 60 days.
---	---------------------------------

[or by the exercise of reasonable due diligence should have become aware]	This will be in or out.
---	-------------------------

at least [\$50,000.00] or fifty (50%) of the Specific Deductible	The range will be \$5,000 - \$50,000.
---	---------------------------------------

The Policyholder or Third Party Administrator will also comply with other claim reporting requirements, provided the Company sends written notice to the Policyholder or Third Party Administrator of these requirements and allows the Policyholder or Third Party Administrator [thirty (30)] days to begin complying with the new requirements.	The range will be 30 - 90 days.
---	---------------------------------

[Failure to furnish written notice will not invalidate or reduce any claim if it was not reasonably possible to provide such written notice within the time period required.]	This will be in or out.
---	-------------------------

[If the Company determines it was reasonably possible to provide written notice in accordance with the provisions of this paragraph, the Company may adjust the reimbursement to reflect savings the Company may have obtained had the Company received notice within [thirty (30)] days.]	This will be in or out. If in:
--	--------------------------------

The range will be 10 - 60 days.

In no event will the **Company** be liable for any claims submitted for reimbursement more than [twelve (12)] months after the end of the **Benefit Period**.

The range will be 3 - 24 months.

SECTION VIII – CLAIM PROVISIONS AGGREGATE STOP LOSS COVERAGE

Proof of Loss, in a form and content satisfactory to the **Company**, must be given within [thirty-one (31)]

The range will be 10 - 60 days.

Proof of Loss may not be given later than [twelve (12)] months after the end of the **Benefit Period**.

The range will be 3 - 24 months.

The **Policyholder** will also comply with other claim reporting requirements, provided that the **Company** sends written notice to the **Policyholder** of these requirements and allows the **Policyholder** [thirty (30)] days to begin complying with the new requirements.

The range will be 30 - 90 days.

SECTION IX – EXCLUSIONS AND LIMITATIONS

17. [Expenses related to drug and alcohol addiction [or mental illness] shall be limited to the lesser of the underlying **Plan** maximum or the Specific **Deductible**].

This will be in or out.

18. [Expenses relating to:

- a. non-human organ/tissue transplants
- b. invitro-fertilization
- c. expenses relating to radial keratotomy
- d. expenses relating to reversal of voluntary sterilization
- e. gene therapy
- f. cloning]

This will be in or out.

19. [Charges billed by a hospital or facility, which are in excess of:

This will be in or out. If in:

- a. [the manufacturer's invoice plus [20]% for medical/surgical supplies and devices billed under the following revenue codes, as published by the National Uniform Billing Committee, including but not limited to:
 - 1) 274 - Prosthetic/orthotic devices
 - 2) 275 - Pacemaker
 - 3) 276 - Intraocular lens
 - 4) 277 - Other implants
 - 5) 278 - Other supplies/devices
 - 6) 279 - Other supplies/devices

The range will be 5% - 50%.

If the manufacturer's invoice is not made available to the **Company**, charges billed under the above revenue codes will be limited to the manufacturer's suggested retail price plus [20]%.

The range will be 5% - 50%.

- b. [the average wholesale price (AWP) for prescription drugs billed under the following revenue codes, as published by the National Uniform Billing Committee, including but not limited to:

This will be in or out. If in:

- 1) 250 - General
- 2) 251 - Generic drugs
- 3) 252 - Nongeneric drugs
- 4) 253 - Take-home drugs

- 5) 259 - Other pharmacy
- 6) 630 - General
- 7) 631 - Single source drug
- 8) 632 - Multiple source drug
- 9) 633 - Restrictive prescription
- 10) 634 - Erythropoietin (EPO) less than 10,000 units
- 11) 635 - Erythropoietin (EPO) 10,000 or more units
- 12) 636 - Drugs requiring detailed coding
- 13) 637 - Self-Administrable drugs

The average wholesale price allowable will be based on the most current version of [RED BOOK by Thomson Micromedex.]

The average wholesales price will be as published by RED BOOK by Thomson Micromedex, Price Point Rx by First DataBank, Price Rx Select by Medi-Span, or other reputable vendor.

20. [Charges in excess of the **Reasonable and Customary Charge**, whether or not the service or supply was rendered by a provider participating in a **Provider Network(s)**.]

This will be in or out.

SECTION X – TERMINATION

By the Policyholder

giving the **Company** at least [thirty-one (31)] days

The range will be 31 - 90 days.

By the Company

1. ...does not rectify such failures within [ten (10)] days...

The range will be 10 - 30 days.

3. ...or insurance plans exceeds [40%] of employees...

The range will be 25% - 60%.

5. ...allow the **Policyholder** [ninety (90)] calendar days...

The range will be 30 - 120 days.

6. ...giving the **Policyholder** at least [thirty (30)] days...

The range will be 30 - 120 days.

Automatic

5. [sixty (60)] days after the Effective Date if the **Policyholder** has failed to furnish the **Company** with any information or materials requested by the **Company**.

The range will be 30 - 90 days.

If such amounts paid by the **Company** are greater than the amount of the refund due the **Policyholder**, the **Policyholder** shall pay the amount of the deficit to the **Company** within [thirty (30)] days of notice from the **Company**.

The range will be 15 - 60 days.

If repayment in full is not made within this [thirty (30)] day period, the **Company** will be entitled to assess monthly a late payment fee equal to [1.5%] of the outstanding balance.

The range will be 15 - 60 days.

The range will be 1.5% - 3%.

SECTION XI – GENERAL PROVISIONS

Entire Policy

[Renewal]

This will be in or out.

Third Party Administrator

[Renewal]

This will be in or out.

The **Policyholder** must provide written notice to the **Company** at least [sixty (60)] days prior to the effective

The range will be 30 - 90 days.

date of change.

Reporting

The **Policyholder** will submit by the [fifteenth (15th)] day of each month... The range will be 10 - 20 days.

Records

The **Policyholder** will maintain records of all **Covered Persons** under the **Plan** during the **Policy Period** and for a period of [seven (7)] years after termination of the **Policy**. The range will be 1 - 50 years.

Clerical Error

The **Company** will within [fifteen (15)] days of receipt of corrected data decide the corrective course of action under the terms of Misstated Data provision below. The range will be 15 - 60 days.

Misstated Data

1. ...the **Policyholder** shall pay the amount of the deficit to the **Company** within [thirty (30)] days of notice from the Company. The range will be 15 - 60 days.

...If repayment in full is not made within this [thirty (30)] day period, The range will be 15 - 60 days.

...the **Company** will be entitled to assess monthly a late payment fee equal to [1.5%] of the outstanding balance; The range will be 1.5% - 3%.

Provider Network(s)

...[The **Policyholder** or **Third Party Administrator** will provide the **Company** with the corresponding **Provider Network(s)** contract(s), upon request.]... This will be in or out.

...submitted to the **Company** at least [sixty (60)] days... The range will be 30 - 90 days.

Suit Against the Company

No suit, action or proceeding against the **Company** for the recovery of any claim will be sustained in any court of law or equity unless: the **Policyholder** has fully complied with all the provisions of this **Policy** and legal action is started within [twelve (12)] months after the end of the **Benefit Period**. The range will be 12 - 24 months.

If under the insurance laws of the applicable jurisdiction such [twelve (12)] months limitation is invalid, then any such legal action needs to be started within the shortest limit of time permitted by such laws. The range will be 12 - 24 months.

ENDORSEMENTS

Policyholder Disclosure Statement

The attached disclosure form must be completed and signed by the appropriate parties no more than [thirty (30)] days prior to the proposed Effective Date of Stop Loss coverage and received by the Company within [five (5)] days of completion. The range will be 15 - 90 days.
The range will be 5 - 30 days.

Upon receipt of the completed disclosure, the **Company** will assess all data, new and previously reported, and will inform the producer in writing within [five (5)] days of any changes to the rates, factors or terms of coverage. The range will be 5 - 30 days.

List on the Disclosure Form all persons who are known to:
4. Have been diagnosed within the past twelve months, with a condition represented by any of the ICD-9 codes contained in the attached list [and have also received medical services costing \$5,000 during the same period]

This will be in or out.

ASO Specific Terminal Liability

TERMINAL LIABILITY EXTENSION PERIOD means [three (3)] consecutive calendar months...

The range will be 3 - 6 consecutive calendar months.

If the **Policyholder** terminates the Administrative Services Only Agreement with [], the **Company** will extend the Specific Stop Loss Coverage for an additional [three (3)] months...

This will vary based on the ASO provider, i.e., AETNA, Blue Cross, Cigna, United Healthcare, etc.
The range will be 3 - 6 months.

Policyholder must notify the **Company** within [thirty (30)] days...

The range will be 30 - 60 days.

Multiplied by [three (3)].

The range will be 3 - 6.

Specific Terminal Liability

TERMINAL LIABILITY EXTENSION PERIOD means [three (3)] consecutive calendar months...

The range will be 3 - 6 consecutive calendar months.

the **Company** will extend the Specific Stop Loss Coverage for an additional [three (3) months]

The range will be 3 - 6 months.

Aggregate Terminal Liability

Monthly Terminal Liability Extension Factors:
[\$442.78 Single]
[\$1,100.94 Family]

Varies by calculation.
Varies by calculation.

TERMINAL LIABILITY EXTENSION PERIOD means [three (3)] consecutive calendar months...

The range will be 3 - 6 consecutive calendar months.

- a. multiply the Monthly Terminal Liability Extension Factors (indicated above) by the average number of **Covered Units** for the [three (3)] month period immediately preceding the termination date;
- b. multiply by [three (3)];

The range will be 3 - 6.

The range will be 3 - 6.

the **Company** will extend the Aggregate Stop Loss Coverage for an additional [three (3)] months

The range will be 3 - 6.

- c. ...the **Policyholder's** obligation is an additional premium of [\$1.00]...

The range will be \$0.00 - \$5.00.

Monthly Aggregate Accommodation

After the end of the [fourth (4th)] month that this **Policy** has been in force and through the [eleventh (11th)] month...

The range will be 1 - 6 months.
The range will be 5 - 11 months.

...within [ten (10)] days after the **Company's** acceptance...

The range will be 5 - 20 days.

...multiply the number of initial **Covered Units** as shown in the SCHEDULE OF STOP LOSS INSURANCE by [100%]

The range will be 80% - 100%.

...repay the **Company** the difference between these two amounts, within [ten (10)] days...

The range will be 5 - 20 days.

...repay the **Company** any amounts paid under the Monthly Aggregate Accommodation within [10] days...

The range will be 5 - 20 days.

...the **Company** will be entitled to assess monthly a late payment fee equal to [1.5%]...

The range will be 1.5% - 3%.

Separate Deductible or Benefit Period SPECIFIC STOP LOSS

[Claims Basis: _____]

Benefit Period: Eligible **Plan Benefits Incurred** from [January 1, 2001] through [December 31, 2001] and **Paid** from [January 1, 2001] through [December 31, 2001]]

This will be in or out. If in:

Period in which claims are incurred and paid.

[Specific **Deductible** for **Covered Person:**
[\$100,000]

This will be in or out. If in:

Varies by calculation, but will not be less than \$10,000.

Lifetime Limit of Liability for **Covered Person:**[\$900,000]]

Varies by calculation and may be Unlimited to mirror the **Policyholder's Plan(s)**, which are subject to the Patient Protection and Affordable Care Act.

[AGGREGATE STOP LOSS

[Claims Basis: _____]

Benefit Period: Eligible **Plan Benefits Incurred** from [January 1, 2001] through [December 31, 2001] and **Paid** from [January 1, 2001] through [December 31, 2001]]

This will be in or out. If in:

This will be in or out. If in:

Period in which claims are incurred and paid.

Loss Limit for Covered Person for the Policy Period:
[\$100,000]]

Varies by calculation and will be equal to the Specific Deductible.

Family Coverage

SPECIFIC STOP LOSS

Specific **Deductible** per **Covered Family:** [\$100,000]

Varies by calculation, but will not be less than \$10,000.

Lifetime Limit of Liability per **Covered Family:**
[\$900,000]

Varies by calculation and may be Unlimited to mirror the **Policyholder's Plan(s)**, which are subject to the Patient Protection and Affordable Care Act.

AGGREGATE STOP LOSS

Loss Limit per **Covered Family** for the **Policy Period:**
[\$100,000]

Varies by calculation and will be equal to the Specific Deductible.

Organ and Tissue Transplant Coverage

[Any charge which is covered in whole or in part under an organ and/or tissue transplant insurance policy is not an **Eligible Claim Expense** under this **Policy.**]

This will be in if the organ and/or tissue transplant insurance policy is NOT issued by a Zurich Company. Otherwise, it will be out.

[Any charge which is covered in whole or in part under the Zurich Company Policy No. xx-xx-xxx is not an **Eligible Claim Expense** under this **Policy.**]

This will be in if the organ and/or tissue transplant insurance policy is issued by a Zurich Company. Otherwise, it will be out.

Blank Endorsement

[This endorsement will be used to make the following

Varies by use.

changes to the **Policy** which are administrative in nature:

(1) changes to the SCHEDULE OF STOP LOSS INSURANCE page; (2) additions or deletions of a subsidiary of the **Policyholder**; (3) modifications which comply with the variable items in the policy filing such as the Specific **Deductible**, Claims Basis, **Aggregating Specific Deductible**]



Zurich American Insurance Company

**EXPLANATORY MEMORANDUM
Statement of Variables
Company Filing Number – CW AH 34709
U-MSL-500-A, et al**

This is a revised Statement of Variables for our Stop Loss Policy, which was previously filed with and approved by your Department.

In order to meet the needs of our customers, we are submitting a revised Statement of Variables to reflect a lower minimum number of lives.

For your convenience, we have included redlined and clean versions of the amended Statement of Variables.

Other than the change in the minimum number of lives, no other changes were made to the Statement of Variables or to any of the corresponding documents previously filed with and approved by your Department.

As previously indicated in our original filing, the Stop Loss Policy will be marketed to all size Employer groups situated in your State through brokers, agents, and sales employees.