TUCKER ADMINISTRATORS, Inc.
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Since 1976

Employee Benefit Consultants, Risk Managers and Administrators

Key Features of the Tucker Administrators Level Funding Plan

- A unique answer for smaller employers trying to save money on the cost of group health insurance and brokers who would like to transition their groups to the self-funded arena
- Competitive rates
- 12/21 contract basis
- Internal pooling point maximizes potential for employer refund
- All industries eligible with the exception of law firms and MEWAs
- Group size: 10-200 lives. *(Claims data is preferred for groups over 100 lives)(25 lives minimum in NC)(10 lives minimum in SC)*
- **Unused claim fund is refunded to the employer at the end of the plan year.**
- Stop Loss insurance offers full protection from larger claims. **Employer will never have to pay more than the maximum monthly cost.**
- The predictability of a level, monthly cost- there are no extra charges if there are high claims.
- **ERISA plan that is exempt from some of the new federal Affordable Care Act regulations—particularly those parts that may cause fully insured premiums to climb substantially in 2014.**

This is a best fit for:

- Employers with good health experience who feel they are paying too much for premium for too little in benefits. Do your employer groups receive money back from their insurance companies for being healthy? If the answer is NO, then the Tucker Administrators Level Funding Plan could be the right alternative for them.

How is This Plan Different from a Fully-Insured Plan?

Under a fully insured plan, the monthly premium costs are locked in. Even if a group is healthy and have no claims, the savings are kept by the insurance company.

With Tucker Administrators Level Funding, and the smart use of Stop Loss Insurance, the employer pays a monthly cost that is the maximum cost. **No matter how much claims are in a month, the employer will never pay more than this monthly cost. After all claims are paid for the year, the unused money in the claim fund is returned to the employer.**

KEY HIGHLIGHTS

- **Defined and Contained Risk** - The employers maximum exposure and annual costs are determined up front through the purchase of Stop Loss insurance. Standard provisions include coverage for claims paid after the end of the plan year (no terminal liability exposure).
- **Stabilized Cash Flow** - Maximum annual claim liability is equally spread over 12 months. If the employers claim fund does not contain sufficient money to cover claims, the Stop Loss insurance coverage will advance the necessary funds (also referred to as "Accommodation"). No requests for additional money from the employer are made.
- **Claim Fund** - After the claim run-out period remaining funds are released or rolled over to the next year as credit. **This is the essence of alternative funding—money not spent on benefits remains with the employer's benefit plan, not the insurance company.**

What are the Advantages of the Level Funding Plan?

Plan Design Flexibility

Freedom to keep the current plan of benefits and implement cost-saving features of the employers choice.

Claim Fund

Maximum annual claims costs are predetermined and the employer pays 1/12 of this cost each month for the 12 months of the plan year. After this amount, there are no other charges for the claim fund. Once all claims have been paid for the plan year, and unused dollars in the claim fund are returned to the employer.

- **Monthly Accommodation** — If at any time the money necessary to pay smaller claims is not in the claim fund(this is common during the early months of a plan year), the insurer will advance this money to the claim fund to pay these claims. Subsequent monthly payments into the claim fund will be used to repay this advance,

- **Reporting** — With Tucker Administrators online services, the employer, employees and agents will have access to the plan. It is HIPAA compliant. The employer is able to access detailed billing and claims reports on a weekly, monthly and quarterly basis, in order to track the claim fund and to understand where the claim fund dollars are spent (such as doctor's office visits, prescription drugs, outpatient services and hospitalizations). With this information, the plan can be designed to contain costs and target problem areas. The employee can view claim status, EOBs, obtain plan summaries, verify provider participation and more. The agent has access to the same information. All of this is available 24 hours a day, 7 days a week.

- **Plan Year & Terminal Liability**—The plan year runs for 12 months from the effective date. Claims incurred during the plan year will be paid though a 9-month run-out period and any balance in the claims fund is refunded to the employer. Terminal Liability coverage is built into the plan by providing the 9-month run-out period.

RFP SUBMISSION REQUIREMENTS

- Group name, industry and location
- Census
- Current rates
- Renewal rates
- Current plan of benefits
- Claims data, if available. If no claims data is available, we will provide a preliminary proposal that will require individual apps to bind coverage. Rates may adjust after underwriting of individual applications

Contact us for a quote or more information

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