

## Stop Loss Reporting Fee

Producer Communication #674

Issued May 28, 2014

### Message

Effective with contract periods beginning 7/1/2012 (or at the expiration of multi-year contract periods, whichever is later) there is an additional charge to ASO customers who receive the standard CBC stop loss reporting package. This fee will be waived for customers that have purchased Avalon Stop Loss or that have coverage provided through Consolidated Benefits, Inc. (CBI). This fee will be charged at the beginning of each stop loss contract period and varies based upon group size. The group size measurement will be taken in the first month of the stop loss contract period. The fee will be invoiced as a discretionary item. ASO new business quote and renewal packages reflect these fees.

Additional detail, research, report formats specific to a carrier, or third party data integration will generate additional charges that will be priced on a case by case basis. ASO customers that separately include multiple sub segments of their population therefore requiring multiple report breakouts result in additional charges that will be priced on a case by case basis.

### Details

For effective dates July 2012 and beyond, Underwriting will provide as part of all new group ASO fee proposals and existing group ASO renewals a Stop Loss Reporting authorization form (*Attachment A*). This authorization will allow for the group to provide Capital BlueCross their confirmation of stop loss reporting.

Completion of the certification will be required for all new ASO groups and annually for renewing ASO groups, with the exception of **existing** groups renewing with Avalon or another carrier provided through CBI. There will be three options for the group to choose from on the authorization form. They are as follows:

- Group is selecting stop loss coverage administered by Avalon or another carrier provided through Consolidated Benefits, Inc. Stop loss reporting is included in the provided proposed fees.
- Group is obtaining stop loss coverage through another carrier. To provide stop loss reporting, Capital BlueCross will assess a fee of \$0.75 per subscriber per month with a minimum fee of \$3500 and maximum fee of \$20,000. This fee will be invoiced once per contract period after the first month of in force coverage.
- Group is not purchasing any stop loss coverage for the ASO programs included in this proposal. No stop loss reporting will be necessary.

The completed form must be provided to the Account Executive. If the completed certification is not provided, the group will not receive any stop loss reports. A completed certification is required for all new groups, regardless of stop loss carrier. The fee will show up on the group's invoice as a lump sum discretionary item.

### Attachments

- **Attachment A**—Stop Loss Reporting Authorization Form

### Questions

Contact your Preferred Agency with any questions. Thank you.



## Proposed Program Costs Stop Loss Reporting For ABC Group

Effective July 1, 2014

The Administrative Services Only (ASO) fees contained in this proposal include reporting services for stop loss carriers administered through Consolidated Benefits, Inc. Additional charges are applicable to provide reporting to stop loss carriers not administered through Consolidated Benefits, Inc.

Check (✓) the appropriate box below concerning stop loss reporting for ABC Group.

- ABC Group is selecting stop loss coverage administered by Avalon® Insurance Company or another carrier provided through Consolidated Benefits, Inc. Stop loss reporting is included in the provided proposed fees. **This form is not necessary for groups renewing with Avalon® Insurance Company or another carrier provided through Consolidated Benefits, Inc.**
- ABC Group is obtaining stop loss coverage through a carrier not administered through Consolidated Benefits, Inc. To provide stop loss reporting, Capital BlueCross will assess a fee of \$0.75 per subscriber per month with a minimum fee of \$3,500 and maximum fee of \$20,000. This fee will be invoiced once per contract period after the first month of inforce coverage.
- ABC Group is not purchasing any stop loss coverage for the ASO programs included in this proposal or the stop loss coverage purchased through another carrier does not require stop loss reporting from Capital BlueCross.

Capital BlueCross customized reporting is not insurance. These services are provided by Capital BlueCross as the administrator of programs for Capital BlueCross and/or its subsidiaries, Capital Advantage Insurance Company Capital Advantage Assurance Company and Keystone Health Plan Central

**Note:** Signature below denotes acceptance of programs checked above.

Photocopies, portable document facsimiles (pdf) and/or facsimiles of this executed document shall be as valid as the original.

I, \_\_\_\_\_, a duly authorized representative of <Group Name>, do hereby acknowledge receipt of information about the services shown above as described in further detail in the proposal package received from Capital BlueCross and accept the services as selected and as described and in accordance with the terms and conditions contained in the proposal package.

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Signature

Date

*Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties.*