



CAMERON COUNTY PURCHASING

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Brownsville, Texas 78520
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ADDENDUM # 1 - PAGE 1 of 2

DATE OUT: 08/14/24

RFP TITLE: **INSURANCE: SPECIFIC AND AGGREGATE STOP LOSS COVERAGE**

RFP NUMBER # 1460-SL

DEADLINE: AUGUST 21, 2024 at 3:00 p.m.

(IN ORDER TO AVOID DISQUALIFICATION – ALL ADDENDUMS MUST BE SIGNED AND RETURNED BY DEADLINE AND INCLUDED IN THE SEALED BID PACKAGE SUBMITTED)

1.- CHANGE # 1

RFP 1460-SL PACKAGE, Page 10 of 37

ORIGINAL:

Note: Cameron County currently recognizes HUB International Insurance Services, as their benefits consultant for the RFP. All services and rates should be quoted NET of commissions. No other broker will be recognized during this RFP and evaluation process.

REVISED:

Note:

Cameron County currently recognizes HUB International, as their benefits consultant for the RFP. If an agent / broker is submitting a proposal on behalf of a carrier, all commissions must be disclosed in the proposal response.

Note:

This addendum shall become part of the RFP and all RESPONDERS/PARTICIPANTS shall be bound by its content. All aspects of the scope of work/services not covered herein shall remain the same.

Company Name _____ Phone # _____

Vendor Signature _____ Date _____

Must include and return with RFP package

1.- Please find response to request for clarifications and/or questions submitted by all participants:

1. The current Administrative Services Contract – **Cameron County will not be releasing it, as it is not needed to quote.**
2. The current Stop Loss Contract – **We have requested the policy from Aetna. See exhibit A**
3. The current ASL Rates – **Cameron County does not have Aggregate Stop Loss, and you are not requesting it at this time.**
4. Member level census – **Exhibit B - Cameron County Medical Census**
5. All Plan documents – (SBC's) – **Both plan documents have been provided**
6. 36 Months of Monthly enrollment and gross claims (Medical & Pharmacy broken out) – **Exhibit D - Medical RX Claims Experience**
7. 36 Months of large claimants, Diagnosis & Prognosis notes – **Exhibit C - High-Cost Claimants**
8. Please confirm that a non-officer individual with the authority to bind a contract is sufficient to sign all applicable signature documents required for this RFP submission. **As long it is recognized by vendor and stated in submittal**
9. Are electronic signatures and initials acceptable? **Acceptable**
10. Cameron County does not have Aggregate Stop Loss coverage today. Can you please confirm that Aggregate Stop Loss is requested as part of the RFP? **No need to quote aggregate.**
11. According to the census there are 2 plans “POSII AWH” and “POS II Broad” however, there is only one SOB (attached above). Is the SOB provided for both plans? If no, please submit the other SOB. **Both benefit summaries attached**
12. Current and requested commissions – I see that we have quoted NET of commissions in the past. Is this still the commission rate requested? **No commissions are loaded into current rates.**
13. Are there any specialty bolt on vendors (Kempton, IM Well, Zero Card, etc.)? **No.**
14. Can you also please confirm there is no current Aggregate coverage? If there is can you please provide those rates and factors? **No aggregate coverage.**
15. Also, we need to confirm that you would like to quote agg coverage? **No need to quote aggregate coverage.**
16. Please provide the high-cost claimant report STOP LOSS DETAIL REPORT that is a standard report Aetna issues monthly that includes claimants over \$50,000 with paid claim details. **Currently, we do not have Cameron County set up to receive monthly Stop Loss Detail Reports. We requested this from Aetna, however, there is a cost associated with generating this report. If the report is requested, it would likely take longer than the RFP due date before Aetna can send something over. Exhibit C & D should provide sufficient data for proposers to quote.**
17. Please provide large claimant report for plan year 10/2021 through 09/2022. **This was provided and is illustrated in Exhibit C of the RFP.**
18. Please confirm cobra and retirees are included in the census if they are to be covered under stop loss. If they are not included, and should be, please provide a revised census. **The current census we provided reflects active, cobra, retirees.**
19. Confirm who the stop loss carrier is for the current plan year 10/1/2023-09/30/2024. **Aetna**
20. Please provide the high-cost claimant report STOP LOSS DETAIL REPORT that is a standard report Aetna issues monthly that includes claimants over \$50,000 with paid claim details. **See answer from question # 16.**

Stop Loss insurance policy

EXHIBIT A

This **policy** is made by and between **Aetna Life Insurance Company (Aetna)** and

CAMERON COUNTY (**policyholder**)

Policy number: 143726
Policy effective date: 10/01/2023
State of issuance: TEXAS
Date of issuance: 09/19/2023

Welcome to **Aetna**. This is your Stop Loss **policy**. It includes the *Stop Loss Application and Schedule of Insurance*. This **policy** replaces any Stop Loss **policy** previously provided to you. It may have riders or amendments added that change the coverage.

Throughout the **policy**:

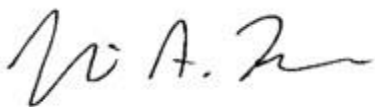
- “You” and “your” mean the **policyholder**
- “Us,” “we,” and “our” mean **Aetna**
- Words in **bold** are defined in the *Glossary* section

This **policy** is underwritten by **Aetna**. It is governed by applicable federal law and the laws of the state of issuance shown above.

The **policy** is issued based on a signed *Stop Loss Application and Schedule of Insurance*, the *Disclosure* statement, if required, and premium payments you make to comply with the terms stated in this **policy**. In return, **Aetna** agrees to pay you for **eligible claim expenses** exceeding the Stop Loss coverage amounts stated in the *Stop Loss Application and Schedule of Insurance*, and according to the terms and conditions of the **policy**.

All periods of coverage begin at 12:00:00 a.m. and end at 11:59:59 p.m. local time based on your primary location.

Signed at **Aetna’s** home office, 151 Farmington Avenue, Hartford, CT 06156.



Brian Kane
President, Aetna Life Insurance Company



Angela Woodard
Director, Aetna Stop Loss COE

Have a complaint or need help?

If you have a problem with a claim or your premium, call your insurance company first. If you can't work out the issue, the Texas Department of Insurance may be able to help.

Even if you file a complaint with the Texas Department of Insurance, you should also file a complaint or appeal through your insurance company. If you don't, you may lose your right to appeal.

Aetna Life Insurance Company

To get information or file a complaint with your insurance company:

Call toll-free: 1-800-872-3862

Online: www.aetna.com

Email: alicstoploss@aetna.com

Mail: 151 Farmington Avenue, Hartford, CT 06156

The Texas Department of Insurance

To get help with an insurance question or file a complaint with the state:

Call with a question: 1-800-252-3439

File a complaint: www.tdi.texas.gov

Email: ConsumerProtection@tdi.texas.gov

Mail: Consumer Protection, MC: CO-CP, Texas Department of Insurance, P.O. Box 12030, Austin TX 78711-2030

¿Tiene una queja o necesita ayuda?

Si tiene un problema con una reclamación o con su prima de seguro, llame primero a su compañía de seguros. Si no puede resolver el problema, es posible que el Departamento de Seguros de Texas (Texas Department of Insurance, por su nombre en inglés) pueda ayudar.

Aun si usted presenta una queja ante el Departamento de Seguros de Texas, también debe presentar una queja a través del proceso de quejas o de apelaciones de su compañía de seguros o HMO. Si no lo hace, podría perder su derecho para apelar.

Aetna Life Insurance Company

Para obtener información o para presentar una queja ante su compañía de seguros:

Llame teléfono gratuito: 1-800-872-3862

En línea: www.aetna.com

Correo electrónico: alicstoploss@aetna.com

Dirección postal: 151 Farmington Avenue, Hartford, CT 06156

El Departamento de Seguros de Texas

Para obtener ayuda con una pregunta relacionada con los seguros o para presentar una queja ante el estado:

Llame con sus preguntas al: 1-800-252-3439

Presente una queja en: www.tdi.texas.gov

Correo electrónico: ConsumerProtection@tdi.texas.gov

Dirección postal: Consumer Protection, MC: CO-CP, Texas Department of Insurance, P.O. Box 12030, Austin TX 78711-2030

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<i>Stop Loss Application and Schedule of Insurance</i>	Issued independently

The policy

The entire policy

This Stop Loss **policy** is non-participating. It consists of the following documents:

- Your signed *Stop Loss Application and Schedule of Insurance*
- A signed *Disclosure*, if required
- This **policy**
- Any riders or amendments to the **policy**
- A copy of the self-insured **plan** document(s) for each benefit **plan** covered by this **policy**

A non-participating **policy** is one that you do not share (do not participate) in any surplus earnings or profit made by us. A participating **policy** is one that you share (participate) in any surplus earnings or profit made by us.

This is a reimbursement **policy**. You, or your **plan's** administrator as defined by the Employee Retirement Income Security Act (ERISA), are responsible for determining the benefits offered under your **plan**. We do not have a duty or any authority to settle, adjust, or provide advice regarding your benefit **plan**.

Your *Stop Loss Application and Schedule of Insurance*

It is your responsibility to make sure the *Stop Loss Application and Schedule of Insurance* is accurate and complete. You must notify us immediately if you find any mistakes in your *Stop Loss Application and Schedule of Insurance*.

By applying for coverage under this **policy** and accepting its benefits, you (or the person acting for you):

- Represent that all information in your *Stop Loss Application and Schedule of Insurance* and any statements you made to us during the underwriting or application process are true, correct, and complete, to the best of your knowledge and belief
- Agree to all terms, conditions, and provisions of the **policy**

If we learn that you, your **agent**, or a **covered person** defrauded us or misrepresented or omitted material facts during the underwriting or application process, we may cancel the **policy**. We may also report you to criminal authorities. See the *Fraud, deception, or misrepresentation* section of this **policy** for more information.

Effective date

Coverage under this **policy** is not effective until:

- We have reviewed and accepted your **plan** document(s) and all other information needed to underwrite your policy
- We have reviewed and accepted your completed, signed *Disclosure* statement, if applicable
- We have received your first premium payment

Conformity with law

If there is a conflict or apparent conflict between or among the terms and provisions of this **policy** and applicable state or federal laws, the provisions in this **policy** will be given the broadest interpretation in order to resolve the conflict or apparent conflict. If the broadest interpretation does not resolve the conflict or apparent conflict, the provision will be revised to conform to the minimum requirements of the law.

Nondisclosure of confidential information

To meet the terms and conditions of this **policy**, one of us may need to provide confidential information to the other. Confidential information refers to proprietary, trade secret, or business information relating to past, present, or future research or development activities, business operations, or financial condition. It includes, but is not limited to:

- Pricing
- Administrative and clinical services, including the pricing of such
- Utilization and cost statistics
- Audit provisions and results
- Terms of contractual arrangements
- Carve-out vendor specific pricing and proprietary information

Any confidential information provided will only be used for valid purposes under this **policy**. Only individuals who have a valid need will have access to it. Both of us will take reasonable and necessary actions to protect the confidentiality of the information. These requirements will survive the termination of the **policy**.

These requirements will not apply to any information:

- Already publicly available at the time it is provided
- Which becomes publicly available through no fault of either of us
- Provided by a third party who is not subject to any confidentiality obligations regarding it
- Required to be released by law or regulation, under the terms of a subpoena, or in connection with litigation, arbitration, or other proceeding, as long as reasonable efforts are made to give prior notice of such disclosure to enable the impacted party to challenge any such legal process
- Independently developed by us

Severability

Any provision or condition of this **policy** deemed void, invalid, or otherwise unenforceable does not make any of the remaining provisions of this **policy** invalid.

Incontestability

We can take legal or other action during the first 2 years after the **policy effective date**. We may do this using statements you, your **agent**, or any **covered person** made in signed applications, disclosures, or other documents. However, in the event of suspected fraud, we may take legal or other action at any time as allowed by applicable law.

The validity of this **policy** will not be contested, except for non-payment of premium, after it has been in force for 2 years from the **policy effective date**.

Policy changes

Modifications

This **policy** may be changed in whole or in part. Any change will be valid upon written approval by an officer of **Aetna**. The approved change must be endorsed and made part of this **policy**. No other person or entity has the authority to alter this **policy** in any manner. When your consent is needed, your premium payment will be considered as your consent.

Any change to this **policy** will be effective upon your renewal date unless otherwise required:

- By changes to state or federal law
- According to the terms of the *Right to recalculate* section below

Waiver

Only an officer of **Aetna** may waive a provision of the **policy**. A waiver will not be valid unless it is endorsed and made a part of the **policy**.

We may not implement or make you comply with a provision of the **policy** at any given time or under any circumstance. Our failure to do so does not waive our right to implement or enforce compliance with that provision at any other time or under the same or different circumstances.

Right to recalculate

Aetna has the right to update coverage and recalculate premium rates and Stop Loss factors for each **policy renewal date**.

We also have the right to change the premium rate, any **aggregate Stop Loss factor**, or any coverage terms when any of the underlying assumptions or information that impacts our risk changes. We may make this update as of the date of the change. If the change affects our initial underlying assumptions, we may make the change back to the **effective date** of coverage. Changes include, but are not limited to:

- Any change of +/- 15% in **employees** or **covered units**
- Any change to the **plan** document(s) that will change the risk we assumed under this **policy**
- Any change to this **policy**
- Any addition or termination of a unit, division, subsidiary, affiliated or associated company from this **policy**
- Any change in federal or state law or regulation that impacts this **policy** or the coverage provided
- Any change impacting the risk we have assumed, including but not limited to age, gender, geography, occupation, incorrect or incomplete information provided in *Disclosure* statements, etc., that we calculate impacts the risk by more than 15%
- Any change in **claims administrator**, provider network, or cost containment vendor, provided we have consented to the change in writing
- Any change in the **claims administrator's** claim payment system or payment practices that causes a variation of +/- 5% versus the most recent 12 month average of claims processing time

Our failure to adjust a premium rate, Stop Loss factor, or renewal guarantee during a **policy period** will not prevent us from making an adjustment during any future **policy period**.

Changes to the plan

You must notify us promptly, in writing, at least 30 days before the **effective date** of any **plan** change or change in **claims administrator**, provider network, or other **plan** vendor. Our prior written agreement is required before this **policy's coverage** will apply to the changes. Otherwise, the **policy's** benefits will be paid based on the **plan** as it existed when last approved by us. We reserve the right to terminate the **policy** upon discovery of such a change.

Fraud, deception, or misrepresentation

Aetna pursues all appropriate and available legal remedies in the event of fraud.

We decided to issue this **policy** to you based on information you, a **covered person**, your **agent**, or **claims administrator** provided. If we learn that you, or anyone acting for you, defrauded us or misrepresented or omitted material facts that we relied upon to issue this **policy** to you, we may take actions that can have serious consequences to your coverage. The behaviors on your part include, but are not limited to:

- Filing a false claim
- Providing false, incomplete, or misleading information during the underwriting process

Potential serious consequences include, but are not limited to:

- Denial of claims
- Recalculation of premium rates or redetermination of the terms and conditions of this **policy**
- Termination of this **policy**, including retroactively back to its **effective date**
- Recovery of amounts we have already paid
- Prosecution to the full extent under state and federal law

Bankruptcy

Other than the liability required by this **policy**, we are not liable to you, your **plan**, or your **claims administrator** for:

- Bankruptcy
- Insolvency
- Financial impairment
- Receivership
- Voluntary plan of arrangement with creditors
- Your dissolution or the dissolution of your designated **claims administrator(s)** and/or vendor(s)

Your bankruptcy will not make **Aetna** liable to your creditors, including **covered persons** under the **plan**. In the event of your insolvency or bankruptcy, subject to the terms and conditions of this **policy**, we may pay amounts otherwise payable to you to your receiver, trustee, liquidator, or legal successor. We will make such payments only if you have paid all premiums due to us and have complied with your obligations under this **policy**. Nothing in this section increases our liability beyond what would have existed had you not become bankrupt.

What is covered

Aetna will reimburse you for **eligible claim expenses** paid under the **plan**, according to the coverage levels and features shown in the *Stop Loss Application and Schedule of Insurance* and the terms and conditions of this **policy**.

Individual Stop Loss

If the *Stop Loss Application and Schedule of Insurance* shows this **policy** includes individual Stop Loss coverage, we will pay you the amount that a **covered person's** total **eligible claim expenses** are greater than the **individual Stop Loss amount** during the **policy period**, adjusted for any **contract type**, if applicable. The amount we pay you will also be adjusted by any individual Stop Loss features that also may apply, such as:

- An individual coinsurance percentage
- A **family individual Stop Loss amount**
- An aggregating specific Stop Loss amount
- A **maximum annual individual Stop Loss payment amount**

If the *Stop Loss Application and Schedule of Insurance* shows an **IOE transplant Stop Loss amount** applies to this **policy**, we will pay you the amount that a **covered person's** total **eligible claim expenses** are greater than the **IOE transplant Stop Loss amount** during the **policy period**, adjusted for any **contract type**, if applicable. The amount we pay you will also be adjusted by any individual Stop Loss features that may also apply, such as:

- An individual coinsurance percentage
- A **family individual Stop Loss amount**
- An aggregating specific Stop Loss amount
- A **maximum annual individual Stop Loss payment amount**

We may assign a **high risk individual Stop Loss amount** to any **high risk covered person** during the underwriting process for any **policy period**, according to the terms and provisions of this **policy** and as shown in the *Stop Loss Application and Schedule of Insurance*.

If individual Stop Loss coverage terminates before the end of the **policy period**, any of the **individual Stop Loss amounts** we describe above will not be reduced.

Individual coinsurance percentage

Once the **individual Stop Loss amount**, **high risk individual Stop Loss amount**, or **IOE transplant Stop Loss amount** is met for a **covered person**, we will pay you the percentage of **eligible claim expenses** shown on the *Stop Loss Application and Schedule of Insurance*.

Aggregating specific amount

The *Stop Loss Application and Schedule of Insurance* shows if you have chosen an aggregating specific amount. An aggregating specific amount is an optional individual Stop Loss feature that adds a second amount (the aggregating specific amount) that you must pay before we reimburse you for **eligible claim expenses** under individual Stop Loss coverage. Total **eligible claim expenses** greater than any **individual Stop Loss amount** for any **covered person** are added together until the total equals the aggregating specific amount. When you choose this feature, we will not pay an individual Stop Loss benefit until you have also met the aggregating specific Stop Loss amount.

Eligible claim expenses used to satisfy the aggregating specific Stop Loss amount will apply toward the

aggregate Stop Loss corridor.

Aggregate Stop Loss

If the *Stop Loss Application and Schedule of Insurance* shows this policy includes aggregate Stop Loss coverage, we will pay you the amount that total **eligible claim expenses** exceed the **aggregate Stop Loss corridor** during the **policy period**, adjusted for any **contract type**, if applicable. The amount payable will be reduced by any **eligible claim expenses** exceeding any:

- **Individual Stop Loss amount**
- **IOE transplant Stop Loss amount**
- **High risk individual Stop Loss amount**
- **Family individual Stop Loss amount**
- **Individual internal limit**
- Other provision of this **policy**, as applicable

The total amount payable is also subject to the **minimum aggregate Stop Loss amount** and any **maximum annual aggregate Stop Loss payment amount**, as shown on the *Stop Loss Application and Schedule of Insurance*.

Immediate reimbursement

Immediate reimbursement is only available when **Aetna** is the **claims administrator** for your **plan**. If you purchase individual Stop Loss coverage, **eligible claim expenses** that exceed the **individual Stop Loss amount** under this **policy** may be reimbursed on an immediate funding basis. Availability of immediate funding for individual Stop Loss reimbursements is dependent upon the **individual Stop Loss amount** and other **policy** features that you select.

Immediate reimbursement is provided subject to the following terms and conditions:

- Policy documents must be executed by all parties and on file with us
- Only **covered benefits** that **Aetna** administers are eligible
- The coverage levels and **policy** features you select must be available (i.e. system-supported) for immediate reimbursement

Certain **eligible claim expenses** are not eligible for immediate reimbursement. These include, but are not limited to:

- Claims paid by a third party **claims administrator**
- **Eligible claim expenses** paid outside of system-supported claim processing procedures
- **Run-in claims** and, under certain circumstances, **run-out claims** (i.e. coverage crossing multiple reimbursement periods and/or **policy periods**)

Immediate reimbursement is not a guarantee of coverage. After the end of each **policy period**, as adjusted for any **contract type**, we will verify all individual Stop Loss reimbursements were made according to the terms of the **policy**.

What is not covered – exclusions and limitations

This section outlines what is not covered as an **eligible claim expense** under this **policy**.

Exclusions related to eligibility and enrollment

- Claims paid for a **covered person** who did not enroll according to the terms of the **plan** until they are enrolled according to the terms of the **plan**.
- Claims **incurred** by any individual who is not a **covered person** under the **plan** when the claim is **incurred**.
- Claims paid for **covered persons** of a unit, division, subsidiary, affiliate, or associated company added after the **effective date** of this **policy** unless approved in writing by us prior to their **effective date** of coverage under the **plan**.
- Claims paid under the **plan** for your covered retirees and associated dependents as shown on the *Stop Loss Application and Schedule of Insurance*.
- Claims paid for **covered persons** following termination of coverage under the **plan** for any class, unit, or division of participants that includes the **covered persons**, unless you have purchased the Terminal Liability Option, invoked coverage for the unit being terminated, and paid all premium due.
- Claims **incurred** by a late Consolidated Omnibus Budget Reconciliation Act (COBRA) enrollee. The **policy** will exclude any claim expenses for a **covered person** whose eligibility for, or coverage under, COBRA is continued beyond the timeframes specified by federal law for any reason including your clerical error. This exclusion includes those individuals who:
 - Do not receive a valid COBRA extension offer from you, in accordance with federal law, within the 30 days immediately following a COBRA qualifying event
 - Fail to make a valid, signed COBRA election within the 60 days immediately following the receipt of COBRA election rights from you
 - Fail to make COBRA premium payments within the time period specified by federal lawWe may require written documentation that these requirements have been satisfied.

Exclusions related to plan administration

- Costs related to the administration of the **plan** including, but not limited to:
 - Claim payment functions
 - Cost containment administrative fees
 - Large case management
 - Audit
 - Negotiation
 - PPO access fees
 - Premium functions
 - Claim review
 - Consultant fees
- Costs associated with extra-contractual damages, compensatory damages or punitive damages assessed against you.
- Legal expenses, court costs, or interest upon judgments.

Exclusions related to claim administration

- Claims paid by you or the **claims administrator** that are **incurred** prior to the **effective date** of this **policy** unless otherwise shown in the *Stop Loss Application and Schedule of Insurance*.
- Claims for drugs or medications, treatment, services or supplies that are considered **experimental or investigational**, and any service or treatment resulting from complications of **experimental or**

investigational treatment.

- Claims paid for services, medications, or supplies that are not **medically necessary**.
- Claims resulting from treatment services, supplies, or pharmaceuticals provided or delivered from outside the United States on a non-emergency basis, and any service or treatment resulting from related complications, unless approved by us in writing before the service is provided.
- Claims paid at your direction but that we determine are not payable under the **plan**, according to our standard provisions, Clinical Policy Bulletins, and claim settlement practices, or in excess of the **reasonable and customary** charge.
- For individual Stop Loss coverage only, claims resulting from capitation payments, defined as contractually determined, regularly-scheduled payments to certain providers based on the number of **plan** participants entitled to receive services from that provider.
- Incentive payments, care coordinator payments, risk share payments, and other non-fee-for-service payments paid or received in connection with an agreement with an accountable care or similar provider organization.
- **Eligible claim expenses** not submitted to us within 6 months after the end of the **policy period**. If the *Stop Loss Application and Schedule of Insurance* shows coverage for a terminal liability period, terminal reserve period, or **run-out period** associated with a specific **contract type**, the 6 month submission period will begin at the end of these periods.
- Claims not submitted to the **claims administrator** within 12 months of the date **incurred** unless it is not reasonably possible to submit them within this timeframe and assuming the claims are submitted as soon as reasonably possible.
- Claims that are reimbursable under any workers' compensation or a similar program under local, state, or federal law for any illness or injury related to employment or self-employment, even if the **covered person** fails to claim rights to those benefits.

General exclusions

- This **policy** is excess coverage for **eligible claim expenses** and will not provide coverage for otherwise **eligible claim expenses** that are also covered by another existing **policy** or arrangement such as, but not limited to, insurance, reinsurance, indemnity, or other reimbursement agreements.
- **Eligible claim expenses** applied to a different Stop Loss **policy period**.
- Claims paid for any benefits not shown on the *Stop Loss Application and Schedule of Insurance* as **covered benefits** for individual or aggregate Stop Loss.
- Claims not **incurred** or paid within the **contract type** as shown in the *Stop Loss Application and Schedule of Insurance*.
- Claims paid according to changes or an amendment to the **plan** not agreed to in writing by us.
- Claims not specifically covered under the terms of the **plan**.
- Claims for any other benefits that you and we mutually agree will not be subject to the Stop Loss insurance as shown in this **policy**.
- Claims paid or benefits that were originally denied by the **claims administrator** and are adjusted by the **claims administrator** more than 2 years after the original coverage determination date.
- Claims for a **covered person** if the **covered person's** known medical conditions or claim information was not disclosed to us as part of the underwriting of this **policy** or upon request.
- Any claim that is fraudulent.

Premium

Premium – rates

The **policy period's** monthly premium rate is shown in the *Stop Loss Application and Schedule of Insurance*.

Premium due – calculation

Premium:

- Will be calculated and payable on a monthly basis or any other basis you and we mutually agree upon
- Is based on the premium rate shown in the *Stop Loss Application and Schedule of Insurance* and the number of **employees** or **covered units** covered at the time the invoice is prepared
- May be adjusted due to factors outlined in the *Right to recalculate* section

Premium due – how billed and paid

We may bill you electronically and you may pay premium due to us electronically. If you are not billed electronically, you must send your premium to us at the address shown on the invoice on or before the **premium due date**.

Payment occurs when we receive sufficient funds. A check does not constitute payment until it is honored by a bank. We may return a check issued against insufficient funds without making a second deposit attempt. We may accept a partial payment of premium without waiving our right to collect the entire amount due. Premium payments will be credited first to any past due and unpaid premium, in the order it is due.

We may choose not to accept premium that is paid for you by someone else unless we are required to do so by law.

If the total actual premium due (determined at the financial accounting) is less than the amount of premium paid, the difference will be paid to you at the time the accounting is provided to you. If the total actual premium due exceeds the amount paid, you must pay us the difference within 30 days of the date the accounting is provided to you.

Premium – when due

Premium is due on the **premium due date**.

You will pay all premium payments in U.S. dollars no later than 30 days after the **premium due date**. If we have not received the premium due by the due date, the **policy** will automatically terminate without further notice to you and all rights to benefits under this **policy** will end. Premiums will be due for any period the **policy** was in force. Refer to the *Termination* section of this **policy**.

Premium – insufficient funds and overdue amounts

We may charge you a service fee when there are insufficient funds to pay premium due.

If you don't pay your premium on time, we may charge you interest in the amount of 12% per annum on the amount that is overdue. Overdue premium includes amounts not paid within 30 days after the **premium due date**. We may also charge you for the costs of collecting any unpaid premium, including reasonable attorney fees and costs of suit.

We may deduct any due but unpaid premium from any Stop Loss reimbursement. This right will not prevent the termination of this **policy** for non-payment of premium in accordance with the *Termination* section of this **policy**.

Termination

Automatic termination

This **policy** will terminate if:

- You have not paid us all premiums due. The **policy** and all coverage will automatically terminate on the last day of the period that premiums have been paid.
- The **plan** terminates. This **policy** will automatically terminate on the same date and time that the **plan** terminates.

Termination by the policyholder

You may terminate coverage under this **policy** effective on any **premium due date** by providing us at least 30 days advance written notice. The **policy** may also be terminated on any other date you and we agree to.

Termination by Aetna

We may terminate the **policy** and all coverage it provides under the following conditions:

- If you, your **agent**, or a **covered person** perform any act or practice that constitutes fraud or if you, your **agent**, or a **covered person** make any misrepresentation of, or any omission of, a material fact relevant to the coverage, we may cancel the **policy** and all coverage it provides, either prospectively or retroactively to the date the fraudulent event occurred or back to the **effective date** if the event occurred prior to the **effective date**. See the *Fraud, deception, or misrepresentation* section.
- If a **claims administrator**, network provider, or vendor is added, canceled, or changed without our prior written consent, we may terminate the **policy** as of the date of the change in **claims administrator**, network provider, or vendor.
- If the **plan** is changed and we have not agreed in advance and in writing to continue the **policy**, we may terminate the **policy** as of the date and time the **plan** change is effective.
- If you fail to pay claims under the **plan** or make available funds to pay claims as required by the **plan**, we may terminate the **policy** as of the first day that you failed to fund claims.
- If you fail to meet the underwriting requirements we have established in our current underwriting guidelines, including any participation or contribution requirements, or fail to have a minimum 51 eligible **employees** or **covered units** under the **plan**, we may terminate the **policy** as of the first day of the first month when the underwriting requirement was not met.
- If you do not comply with or fail to meet your obligations under any material terms and conditions of the **policy**, including, but not limited to, providing required reports or other information we have reasonably requested from you that is related to our administration of the **policy**, we may terminate the **policy** as of the date you failed to comply.
- If you suspend active business operations, become insolvent, or are placed in bankruptcy or receivership, we may terminate the **policy** as of the date any of these occur.
- If there is any change in federal or state law or regulation that materially impacts this **policy** or the coverage provided, we may terminate the **policy** effective on the date the change in the law is effective.
- If you are an employer group and cease to be a group as defined under applicable state law, we may terminate the **policy** as of the date you no longer qualify as an employer group.

Non-renewal for failure to respond

You must tell us if you intend to renew the **policy**. You must reply, in writing, within 15 days prior to the **renewal date**. If you do not reply, we may terminate coverage as of the **renewal date**.

Effective time of termination

The **policy** and its coverage end as of 11:59:59 p.m. local time at your principal location on the day of termination.

Effect of termination

After termination, you and we continue to be responsible for duties we had prior to the termination of the **policy**. One of your duties includes payment of premium due for coverage up to the date of termination. We are required to continue paying you for coverage of **eligible claim expenses incurred** and paid under the **plan** prior to the **termination date**.

You and we also continue to be responsible for any duties that the **policy** states are to occur after termination.

If the **policy** terminates before the end of the **policy period**:

- The **contract type** under this **policy** is limited to **eligible claim expenses incurred** and paid up to the **termination date**
- The **individual Stop Loss amount** will not be reduced
- The **minimum aggregate Stop Loss amount** will not be pro-rated

Reinstatement

You may request that we reinstate the **policy** and coverage after we terminate it. You must make the request within 30 days of the **termination date**. We are not required to reinstate the **policy**. If we do, you must pay all amounts due in full before reinstatement and give us reasonable assurances that you can and will fulfill all of your obligations under the **policy**.

Optional policy renewal

We may offer you a renewal. At that time, we may revise the terms and conditions of the **policy**. This includes, but is not limited to, premium rates, factors, and coverage levels. If you accept the terms of the renewal, you must provide us with written acceptance prior to the **renewal date**.

A renewal offer for this **policy** also depends on receipt of any requested **plan**, census, or claim information for us to use in the underwriting process.

Responsibility and conduct

Responsibility for our employees

We are responsible to you for what our employees and others that work on our behalf do as it pertains to Stop Loss coverage under this **policy**. If **Aetna** is also your administrator, any disputes regarding administration of the **plan** must be brought under the terms of the *Master Services Agreement*, which determines claims administration.

We are not responsible to you for what is done by others, commonly referred to as “independent contractors.”

Appeals process

You may appeal any claim determination made by us under this **policy** by submitting a written appeal to: **Aetna**, 151 Farmington Avenue, Hartford, Connecticut 06156. You must file an appeal within 60 days after the date of our determination. Your appeal must state, in detail, why you disagree with our determination. It must include all information supporting your appeal that has not been previously provided to us.

Indemnification – in general

If permitted by law, we agree to indemnify and hold you harmless against that portion of your liability to third parties as determined by a court of final jurisdiction when caused directly by our willful misconduct, criminal conduct, or material breach of this **policy**.

If permitted by law, you agree to indemnify and hold us harmless against that portion of our liability to third parties, as determined by a court of final jurisdiction, when caused directly by your:

- Negligence
- Breach of the **policy**
- Breach of applicable federal and state laws
- Willful misconduct
- Criminal conduct
- Fraud
- Breach of a fiduciary responsibility in the case of an action related to, or arising out of, this **policy** or your role as employer or **plan** sponsor

These indemnification rights and obligations apply during the term of the **policy** and to a claim made in writing within one year after termination of the **policy**.

The rights and duties in this section survive termination of the **policy**.

Obligation to the policyholder

We have neither the responsibility nor the obligation under this **policy** to directly pay any **covered person** or provider of **eligible claim expenses** for any benefit you have agreed to provide through the terms of the **plan(s)**. Our only obligation under this **policy** is to you, subject to the terms and conditions of this **policy**.

No Employee Retirement Income Security Act (ERISA) of 1974 liability

Under no circumstances will we accept responsibility as an administrator or be deemed a **plan** fiduciary under your **plan**, as these terms are defined and used in the ERISA Act of 1974 and as amended.

General provisions

This section provides details on additional terms and conditions under this **policy**.

Recovery of overpayments

If **eligible claim expense** amounts change as a result of a coordination of benefit change, a subrogation recovery, audit, or billing or payment error corrections, we may have overpaid you. If we have overpaid you, you will promptly refund the overpaid amount to us. If you fail to refund the overpayment to us in a timely manner, we may reduce any future payments due to you under this **policy** by the amount we overpaid you, until repayment is made in full. If this **policy** terminates, any reimbursements we made for claims paid by you after the date of termination will immediately be refunded to us.

Reports

You will promptly provide us with any information we need to carry out the provisions of this **policy**.

Assignment and delegation

You will not assign any right or delegate any duty under the **policy** unless we approve it in advance and in writing. This includes assignment to any person or entity, including, but not limited to, any **covered person**, medical provider, or creditor. If you do so without our written approval, we are not bound by your assignment or delegation.

You are responsible for authorizing the release of any information we request with your **claims administrator**, vendor, or **agent**. If we do not receive the requested information, any reimbursement request you make may be delayed, reduced, or denied.

We may delegate some of our functions under this **policy** to third parties, (i.e. an authorized representative, subsidiary, affiliate, or parent of **Aetna**). We may also change or end these delegations. We do not need your consent or need to give you advance notice to enter into, change, or end these arrangements. These delegations will not increase or reduce our or your rights or responsibilities under this **policy**.

IRO overturn of claim denials

Coverage under the **policy** will be extended for a period not to exceed 3 months from the last **paid date** of the **policy period** to cover only reversals of claim denials related to an adverse benefit determination when the claim denials by the **plan** are later overturned by Independent Review Organizations (IROs). This extension is subject to the following:

- Your **plan** is subject to external review under the Affordable Care Act (ACA) and this status is communicated to us during the underwriting of the **policy**
- **Eligible claim expenses** are paid, in whole or in part, for a **covered person** due to, and consistent with, the overturning of a claim denial by an IRO conducted pursuant to the applicable external review process established under the ACA
- **Eligible claim expenses** associated with a previously denied claim were **incurred** by the **covered person** during the **policy period**
- **Eligible claim expenses** paid after the last paid claims date of the **policy period** shown in the *Stop Loss Application and Schedule of Insurance* are not eligible for payment under any other coverage, but are otherwise payable under the terms of the **policy**
- You or your **claims administrator** advises us that the denied claim for **eligible claim expenses** has been submitted to the IRO within 10 days of being submitted to the IRO

- You have received notice from the IRO that a decision was made to pay the denied claim and that you must pay the denied claim within 10 days of receiving the decision
- You or your **claims administrator** advises us of the IRO's decision prior to payment of the claim
- Satisfactory proof that you paid the denied claim and complied with all terms and conditions of the **policy** must be submitted to us by you or your **claims administrator** within 30 days of payment of the claim

An **eligible claim expense** you pay according to the terms and conditions above will relate back to the **policy period** in which it was **incurred**. It will be treated as if it had been paid on the date you sent notice of claim denial to the **covered person**. These **eligible claim expenses** will be excluded from any other **policy period**.

Correcting clerical errors

A clerical error may be made by you, any **claims administrator**, a **covered person**, vendor, **agent**, or us in keeping records or providing required information. A clerical error alone will not determine whether there is coverage. We will verify the facts and if coverage is in force and its amount. We will make a fair adjustment in premium or factors if correction of the error or delay changes coverage or the risk we have assumed.

We may correct, withdraw, or replace the **policy**, *Stop Loss Application and Schedule of Insurance*, and any other document issued with an error or issued in error. A clerical error does not include your:

- Intentional acts
- Intentional omissions
- Failure to comply with the **plan** or this **policy**

It is not a clerical error if you, your **claims administrator**, vendor, **agent**, or a **covered person** fails to report the existence of a **covered person** or claimant or fails to report notice or proof of claim loss in a timely manner. We are not required to honor a notification of a **covered person's** enrollment or termination of eligibility which we receive more than 30 days after the qualifying event.

Legal action

The time limit on legal actions related to coverage under the **policy** is subject to applicable law in the state where the **policy** was issued.

We encourage you to complete the appeal process before you take any legal action against us for any disapproval of coverage. If you disagree with our coverage decision, you may not start legal or other action against us regarding your claim until 60 days after we have disapproved the proof of **eligible claim expense**.

No legal action may be brought against us after 3 years from the time you provide written proof of loss.

Cost containment

We have the right to share in any cost savings or cost containment program that you may have in connection with your **plan**. At our expense, we have the right to retain the services of a medical management vendor or other service provider to:

- Assist us with cost containment with respect to claims under the **plan**
- Provide services to you to reduce cost, risk, or expenses under the **plan**

We may also request a medical management vendor or other service provider to contact you if the medical management vendor or other service provider described above provides a service that may reduce the risk or costs to the **plan**.

Notice of legal actions

You agree to:

- Notify us immediately of any event or development that might result in an action of law or equity related to this **policy**
- Forward promptly to us copies of any pleadings and reports of investigation that we request
- Immediately provide to us a copy of any documents filed by or against you in any court in connection with any litigation under the **plan**

You must pay all legal fees, expenses of experts and investigations, and any damages (including exemplary or punitive damages) we incur due to any lawsuit in which we will, without fault, become involved through or on account of this policy or the plan.

If any time limitation in this policy is less than that required by the laws of the state of issuance, the limitation is hereby extended to agree with the minimum period required by the law.

Taxes

You will hold us harmless and reimburse us for any taxes we are charged that are beyond any tax payable on premium we have received.

Workers' compensation or state disability insurance

This **policy** does not replace or impact the requirements for coverage under any workers' compensation or state disability insurance.

Subrogation - right to recovery

You must include a comprehensive provision for subrogation and reimbursement in your **plan's** Summary Plan Description. The **plan** must enforce this provision. If you fail to pursue any recovery or action against a responsible party, then you agree that we will:

- Be subrogated to or assigned your reimbursement rights
- Will assume the **plan's** rights to pursue any recovery against any and all parties

You are responsible for all reasonable expenses **incurred** during the recovery process, including the fees charged by any subrogation vendor or lawyer not contracted with us.

We have the right to pursue all recoveries that involve **eligible claim expenses** paid by the **plan** and covered under this **policy**. We will pursue these actions in the name of the **plan**. This includes both the portion of **eligible claim expenses** you have paid and any portion we have paid under this **policy**.

You:

- Must notify **Aetna** within 30 days of receiving any information that may lead to our subrogation rights
- Must cooperate fully with us and do all things necessary and required for **Aetna** to pursue any action to recover against a responsible party
- May not take any action, or neglect to take any action, that will prejudice or impair our rights to pursue recovery from any other responsible party
- May not, without our written consent, settle or give release for any claim to any other party if doing so would impair or prevent **Aetna** from exercising its rights of recovery

If the **plan**:

- Receives a recovery prior to our reimbursement of any **eligible claim expenses** under the **policy**, the **plan** must deduct the amount of the recovery from any reimbursement request
- Receives a recovery after we have made payment to the **plan** for some or all of a particular claim, the **plan** must reimburse us to the full extent of the payment made by us

We are under no obligation to reduce the amount we are due for any reason, even to help you pay for a lawyer or pay other costs you incurred to get a recovery.

The **plan** must:

- Still reimburse us regardless of whether this **policy** is still in force on the date of recovery
- Reimburse us within 30 days of any recovery by the **plan** or **plan** sponsor
- Account to us for all amounts recovered

The rights and obligations of the **plan** in this section extend beyond the termination of the **policy**.

Aetna's additional responsibilities

We will prepare the legal documents of the **policy** as required by applicable federal and state laws. We will provide them to you in electronic form. We will also provide them to you in paper form if you request it.

We will provide the coverage stated in the **policy** and *Stop Loss Application and Schedule of Insurance*. We will administer the coverage as required by the **policy** and applicable federal and state laws.

We will protect personal health information, as required by federal and state laws. We will use it and share it with others only as needed to help us administer the **policy**. A copy of our Notice of Privacy Practices is available at <https://www.aetna.com/>.

Our duties in this section survive termination of the **policy**.

When Aetna is not your claims administrator

Third party administrator (TPA) responsibilities

When **Aetna** is not your only administrator, you are solely responsible for the actions of your designated TPA. This includes **claims administrators**, network providers, vendors, and **agents**.

Without waiving any of our rights under this **policy**, and without making the TPA a party to this **policy**, we agree to recognize the TPA for the administration of your **plan(s)**, subject to these conditions:

- Your TPA is responsible on your behalf for:
 - Auditing, calculating, and processing all **eligible claim expenses** for the **plan** within a reasonable amount of time
 - Preparing reports as required by us
 - Maintaining and making available to us, at all times, any information as we may reasonably require for proof of coverage
- Your TPA must perform any other duties we may reasonably require including, but not limited to, maintaining an accurate record of **covered persons** under the **plan**
- We are not responsible for, nor will this **policy** reimburse, any compensation or fees due to the TPA for functions performed by them on your behalf in relation to this **policy**

Notice from us to your TPA under the provisions of this **policy** will be considered notice to you. Also, notice from us to you will be deemed notice to the TPA.

If you engage a TPA without our prior approval, in addition to any other rights we have by law or under this **policy**, we may:

- Terminate the **policy** as of the date the unapproved TPA began to administer the **plan**
- Exclude any **eligible claim expenses** paid by the unapproved TPA

Proof of eligible claim expenses

Proof of **eligible claim expense** losses must be provided to us and must establish the nature and extent of the covered loss. **Eligible claim expenses** that are not submitted to us in accordance with the requirements of this section of the **policy** are not reimbursable and are not considered **eligible claim expenses** under the **policy**.

Individual Stop Loss

If the *Stop Loss Application and Schedule of Insurance* includes individual Stop Loss coverage under this **policy**, you must give us written proof of **eligible claim expenses** you have paid. You must provide proof as soon as reasonably possible but no later than 6 months after the end of the **policy period** that the **claims administrator** paid the claim, adjusted for any **contract type**, if applicable.

Proof must be provided in a form and content satisfactory to us and must consist of the following:

- Completed claim form(s)
- Proof of the **covered person's** original enrollment record under the **plan**, and any changes and other applicable eligibility information, including the most current certification of coverage as required by state or federal law
- For each **covered person** exceeding the **individual Stop Loss amount**, **high risk individual Stop Loss amount**, or **IOE transplant Stop Loss amount**, proof of payment by the **plan** for **eligible claim expenses** submitted for reimbursement, including a paid claim detail report which includes for each claim:
 - **Incurred** date
 - Provider name and tax identification number (TIN)

- Billed amount, allowed amount, and paid amount
- **Paid date**
- Relevant International Classification of Diseases (ICD-10) codes, Current Procedural Technology (CPT) codes, and National Drug Code (NDC) codes
- Copies of all relevant provider bills, reports, and electronic data transactions
- Copies of relevant pre-certification forms and case management reports
- Proof of deductible and out-of-pocket maximums, if applicable
- For all accident claims, copies of the police report and any signed legal agreement
- Any other information we may need to fulfill our obligations under this **policy**

Aggregate Stop Loss

If the *Stop Loss Application and Schedule of Insurance* includes aggregate Stop Loss coverage under this **policy**, you must give us written proof of loss. Proof must be given as soon as reasonably possible but no later than 6 months after the end of the **policy period** that the **claims administrator** paid the claim, adjusted for any **contract type**, if applicable.

Proof must be provided in a form and content satisfactory to us, and must consist of the following:

- A written request for reimbursement, including the calculation of the aggregate reimbursable amount
- A detailed claim history report by claimant for all **eligible claim expenses incurred** and paid during the **policy period** as adjusted for any **contract type**, including:
 - **Incurred date**
 - Provider name and tax identification number (TIN)
 - Billed amount, allowed amount, and paid amount
 - **Paid date**
 - Relevant International Classification of Diseases (ICD-10) codes, Current Procedural Technology (CPT) codes, and National Drug Code (NDC) codes
- A listing of all **covered persons** eligible for benefits under the **plan** at any time during the **policy period**
- If prescription drug coverage is shown as a **covered benefit** on the *Stop Loss Application and Schedule of Insurance*, a detailed claim report of all prescription drug claims including:
 - The amounts of any rebates you received
 - A copy of the check register
 - A summary of claimants exceeding the **individual Stop Loss amount**
 - A summary of the benefit analysis
 - A copy of the loss ratio report
 - Any other information we may need to fulfill our obligations under this **policy**

Required reporting

You and your **claims administrator**, vendors, or **agents** will maintain records we may need to administer this **policy**. At our request, you will provide us with the information we need to perform our obligations under the **policy**. All information we receive will be treated as confidential. It will not be used or disclosed beyond the limited purpose of administering coverage under the **policy**.

You must provide us with a copy of your **plan** document(s), including any amendments. You must submit any amendments to us at least 30 days prior to the **effective date**.

You must provide reports to us within 30 days after the end of each **policy month**, in a form and content satisfactory to us, including:

- Aggregate Stop Loss

- Total monthly paid claims for all **covered persons** in a format and with content that is satisfactory to us including:
 - o The number of each type of **employee** or **covered unit** as of the first day of the **policy month**
 - o Total **eligible claim expenses** for all **covered persons** that you paid for the **month**
 - o A listing of claims for any **covered person** whose total **eligible claim expenses** on a paid basis during the month exceeds \$25,000
 - o Any other information that may be reasonably required
- Individual Stop Loss
 - Notice of any potential catastrophic claim via written submission on a form acceptable to us within 30 days of when:
 - o A **covered person's eligible claim expenses** exceed 50% of the **individual Stop Loss amount**
 - o If applicable, a family's **eligible claim expenses** exceed 50% of the **family individual Stop Loss amount**
 - o You, your **claims administrator**, or any other **agent** acting for you, are notified that a **covered person** has been diagnosed with or treated for any injury, illness or disease that is reasonably likely to result in **eligible claim expenses** expected to exceed 50% of the **individual Stop Loss amount** during the 12 months following notification
 - o Any other information that may be reasonably required

You will provide all claim information required. You will not withhold or delay information on a specific claim beyond 30 days. If there are special circumstances, the 30 days may be extended for a mutually agreed upon time. If you or your **claims administrator** do not provide the required information on a timely basis, we may revise premium rates, claim factors, or coverage levels retroactively to the **policy effective date** or **renewal date**, as applicable, once we receive the information from you.

Inspection and audit

We may review your, your **claims administrator's**, or any other vendor's or **agent's** records and procedures regarding the **plan**, while your **policy** is in force and within 3 **policy** years after its termination to the extent that the records relate to the premium basis or **eligible claim expenses** under this **policy**.

We reserve the right to employ a third party, at our expense, to assist us with any audits. If you, your **claims administrator**, or any other **agent** fails to provide requested information, we will not reimburse you for **eligible claim expenses** under this **policy**.

Glossary

Aetna

Aetna Life Insurance Company, an affiliate, or third party vendor under contract with **Aetna**.

Agent

A person or entity that has, or reasonably appears to have, the authority to act on your behalf. This includes:

- Consultants
- Brokers
- Legal Counsel
- Human Resource Representatives
- Any other person or entity that you authorize as an **agent**

Aggregate Stop Loss corridor

An **aggregate Stop Loss corridor** applies when you purchase aggregate Stop Loss coverage. It is the total dollar amount of **eligible claim expenses** that you must pay for all **covered persons** during the **policy period** before we will pay aggregate Stop Loss benefits. The amount is calculated at the end of the **policy period**. It is the greater of:

- The sum of each month's number of **employees** or **covered units** multiplied by the **aggregate Stop Loss factor**, or
- The **minimum aggregate Stop Loss amount**

The **aggregate Stop Loss corridor** does not include claim payments made during a **policy period** for a **covered person** in excess of any:

- **Individual Stop Loss amount**
- **IOE transplant Stop Loss amount**
- **High risk individual Stop Loss amount**
- **Individual internal limit**
- Any other provision of this **policy**, as applicable

Aggregate Stop Loss factor

An **aggregate Stop Loss factor** applies when you purchase aggregate Stop Loss coverage. We calculate it before the start of the **policy period** as:

- the expected total **eligible claim expenses** for the **policy period**
- multiplied by the **aggregate Stop Loss percentage**
- divided by the expected number of **employees** or **covered units** covered by the **plan**
- divided by the number of months in the **policy period**

Aggregate Stop Loss percentage

It is the percentage amount above expected **eligible claim expenses** that you are liable for when you purchase aggregate Stop Loss coverage. It is shown on the *Stop Loss Application and Schedule of Insurance*. The **aggregate Stop Loss percentage** will never be less than the percentage required by state or federal law.

Claims administrator

A firm or person you select and have a written agreement with to process claims and provide administrative services for your **plan**. The term **claims administrator** as used in this **policy** is not the same as the **plan** administrator defined by ERISA, unless you have specifically employed the administrator for that purpose.

Contract type

The **contract type** defines the time periods that **eligible claim expenses** must first be **incurred** by a **covered person** through the **plan** and then paid by the approved **claims administrator**.

Covered benefits

The self-funded health **plans** covered by this **policy**. **Covered benefits** are shown on the *Stop Loss Application and Schedule of Insurance*.

Covered person

Any person who meets the eligibility requirements of and is covered by the **plan**.

When a **plan** has two or more **claims administrators** or Stop Loss insurers, a **covered person** must enroll in the **plan** administered by Aetna during open enrollment for our Stop Loss **policy** to cover **run-in claims**.

Covered unit

A **covered unit** is defined by the eligibility requirements of, and is covered by, the **plan** and means the same as **employee**.

For the purpose of calculating premium rates or claim factors, **covered unit** is the same as an enrolled individual or unit (i.e. single individual, individual + spouse, individual + child(ren), family).

Domestic claim expenses

The claims **incurred** by **covered persons** for services delivered within the healthcare facility being insured by the Stop Loss **policy**.

Effective date

The date coverage begins under this **policy** according to the *Effective date* section.

Eligible claim expenses

Expenses for **covered benefits** you paid based on the **plan** and that comply with the terms and conditions of this **policy**. Claims that do not comply with your **plan** of benefits, such as coverage exceptions, are not considered an **eligible claim expense**.

Employee

An **employee** is defined by the eligibility requirements of, and is covered by, the **plan**.

For the purpose of calculating premium rates or claim factors, **employee** is the same as an enrolled individual or unit (i.e. single individual, individual + spouse, individual + child(ren), family).

Also see **covered unit**.

Experimental or investigational

Any drug, device, procedure, treatment, or test not yet accepted by physicians or by insurance plans as standard treatment of a condition or illness.

They are **experimental or investigational** if any of the following statements are true:

- There is not enough outcome data available from controlled clinical trials published in peer-reviewed literature to validate its safety and effectiveness for the illness or injury involved.
- The needed approval by the FDA has not been given for marketing.
- A national medical society or regulatory agency has stated in writing that it is **experimental or investigational** or suitable mainly for research purposes.
- It is the subject of a Phase I, Phase II, or the experimental or research arm of a Phase III clinical trial. These terms have the meanings given by regulations and other official actions and publications of the FDA and Department of Health and Human Services.
- Written protocols or a written consent form used by a facility or provider state that it is **experimental or investigational**.
- The **plan** deems a drug, device, procedure, test, or treatment as **experimental or investigational**.

Aetna's experimental or investigational determinations are documented in **Aetna's Clinical Policy Bulletins**.

Family individual Stop Loss amount

It is the dollar amount of **eligible claim expenses** per covered family (enrolled **employees** or **covered units** and their enrolled dependents) that you must pay before we pay any family individual Stop Loss benefit under this **policy**, after consideration of the state's minimum **individual Stop Loss amount**. It applies in addition to the **individual Stop Loss amount**.

Any **family individual Stop Loss amount** is shown on the *Stop Loss Application and Schedule of Insurance*.

High risk covered person

A **covered person** that we expect to have **eligible claim expenses** under the plan that exceed the **individual Stop Loss amount**. The **covered person** may have a separate higher **individual Stop Loss amount**, a different **contract type**, or may be excluded from coverage under this **policy**. **High risk covered persons** are listed, using non-identifying values, on the *Stop Loss Application and Schedule of Insurance*.

High risk individual Stop Loss amount

It is the dollar amount of **eligible claim expenses** for a **high risk covered person** that you must pay before we pay any individual Stop Loss benefit under this **policy**. **High risk individual Stop Loss amounts** are shown in the *Stop Loss Application and Schedule of Insurance*.

Incurred

When a **covered person** received healthcare services or supplies.

Individual internal limit

It is the maximum amount of **eligible claim expenses** you pay for any one **covered person** during the **policy period** that will count towards the **aggregate Stop Loss corridor** during the **policy period** when you only purchase aggregate Stop Loss coverage. The **individual internal limit** is shown on the *Stop Loss Application and Schedule of Insurance*.

Individual Stop Loss amount

It is the dollar amount of **eligible claim expenses** per **covered person** that you must pay before we pay any individual Stop Loss benefit under this **policy**. The **individual Stop Loss amount** is shown on the *Stop Loss Application and Schedule of Insurance*. Under no circumstances will the **individual Stop Loss amount** be less than the minimum amount allowed by state or federal law.

IOE transplant Stop Loss amount

It is the amount of **eligible claim expenses** that you must pay during the **policy period** for a **covered person** receiving a **transplant** at one of Aetna's Institute of Excellence® (IOE) facilities before any individual Stop Loss benefit is payable under this **policy**. If a **covered person** elects to have a **transplant** performed at an IOE facility, the **IOE transplant Stop Loss amount** is applied instead of the **individual Stop Loss amount** for **transplant** claims and **eligible claim expenses** covered in the **policy period** that the **transplant** benefit is paid by the **claims administrator**.

The **IOE transplant Stop Loss amount** may not apply to certain **transplant** types or a **covered person's transplant** claims. The *Stop Loss Application and Schedule of Insurance* shows whether an **IOE transplant Stop Loss amount** applies to this **policy**.

Maximum annual aggregate Stop Loss payment amount

It is the maximum amount of **eligible claim expenses** that we will fund in any **policy period** under the aggregate Stop Loss coverage. If the **eligible claim expenses** paid by us under the aggregate Stop Loss coverage reach the **maximum annual aggregate Stop Loss payment amount**, you will fund all additional **eligible claim expenses** for the remainder of the **policy period**. The *Stop Loss Application and Schedule of Insurance* shows whether the policy includes this feature.

Maximum annual individual Stop Loss payment amount

It is the maximum amount of **eligible claim expenses** that we will fund as individual Stop Loss payments for any one **covered person** in a **policy period**. If the **eligible claim expenses** paid by us under the individual Stop Loss coverage reach the **maximum annual individual Stop Loss payment amount**, you will fund all additional **eligible claim expenses** for that **covered person** for the remainder of the **policy period**. The *Stop Loss Application and Schedule of Insurance* shows whether the policy includes this feature.

Maximum run-in claims

The maximum amount we will apply towards individual or aggregate Stop Loss coverage for **eligible claim expenses incurred** prior to the **policy effective** or **renewal date** and paid on or after the **policy effective** or **renewal date**.

Medically necessary

In addition to any **medically necessary** definition cited in the **plan**, a health care service, drug, or device that we determine a provider, exercising prudent clinical judgment, would provide to a patient for preventing, evaluating, diagnosing, or treating an illness, injury, disease, or its symptoms, and that is:

- In accordance with generally accepted standards of medical practice
- Clinically appropriate, in terms of type, frequency, extent, site, and duration, and considered effective for the patient's illness, injury or disease
- Not primarily for the convenience of the patient, physician, or other health care provider
- Not more costly than an alternative service or sequence of services at least as likely to produce equivalent therapeutic or diagnostic results as to the diagnosis or treatment of that patient's illness, injury, or disease

Generally accepted standards of medical practice means:

- Standards that are based on credible scientific evidence published in peer-reviewed medical literature generally recognized by the relevant medical community
- Following the standards set forth in our clinical policies and applying clinical judgment

Minimum aggregate Stop Loss amount

A **minimum aggregate Stop Loss amount** applies when aggregate Stop Loss coverage is elected. It is the lowest total amount of **eligible claim expenses** that you must pay before we fund any aggregate Stop Loss benefits during a **policy period**. It is the greater of:

- The **minimum aggregate Stop Loss amount** shown on the *Stop Loss Application and Schedule of Insurance*
- The number of **employees** or **covered units** on the first day of the first **policy month**, multiplied by the **aggregate Stop Loss factor**, multiplied by the number of months in the **policy period**

Paid date

The date the payment for **eligible claim expenses** is issued by your **claims administrator**. Payment must be supported by enough funds to be honored upon presentation. If there are not enough funds available, payment will not be deemed made until there are enough funds available to cover the full amount due.

In an issued basis funding arrangement, check issuing systems issue payments and transmit them to the claims reporting system. These checks are processed and immediately accumulate towards the Stop Loss **policy**.

Any electronic funds transfer (EFT) payments are immediately funded and apply towards the Stop Loss **policy**.

Plan

The **plan** is the self-funded health benefits you provide for your **covered persons**. The health benefits covered by either individual Stop Loss, aggregate Stop Loss, or both, are shown on the *Stop Loss Application and Schedule of Insurance*.

Policy

Your Stop Loss **policy** includes these legal documents:

- Your signed *Stop Loss Application and Schedule of Insurance*
- *Disclosure*, if required
- This document (the **policy**)
- Any riders or amendments to the **policy**
- A copy of the self-insured **plan** document(s) for each benefit **plan** covered by this **policy**

Policyholder

The insured entity as defined on the cover page of this **policy**.

Policy month

A **policy month** is the same as a calendar month. The first **policy month** begins on the **effective date** of this **policy** and the last **policy month** ends on termination of this **policy**.

Policy period

A **policy period** matches the **plan's** benefit period. The first **policy period** begins on the **effective date** of this **policy**. Any **policy period** after the first **policy period** begins on the **policy renewal date**.

Premier product

The **Premier product** is a commitment that at your next renewal, if offered, there will be no new **high risk individual Stop Loss amounts** set up or rate-ups for any **covered persons'** medical conditions.

At future renewals, we may renew, modify, or cancel the **Premier product**.

Premium due date

It is the date shown on the billing statement. If you pay premium by automatic transfer, it is the date of the transfer.

Reasonable and customary

Reasonable and customary is the amount paid for a service, drug, or device in a certain geographic area based on what healthcare providers in the same area usually charge for the same or similar service, drug, or device.

Renewal date

The **renewal date** is the anniversary of the **effective date** of the **policy**, unless we mutually agree in writing to change it.

Renewal risk cap

The **renewal risk cap** is a commitment that at your next renewal, if offered, there will be no new **high risk individual Stop Loss amounts** set up and the rate increase will be capped at a specified percentage.

At future renewals, we may renew, modify, or cancel the **renewal risk cap**.

Run-in claims

Eligible claim expenses incurred prior to the **policy effective** or **renewal date** and paid on or after the **policy effective** or **renewal date**. **Run-in claims** must be paid based on the **plan** in effect during the **run-in period** and our current standard claim settlement practices.

Run-in period

The period of time immediately prior to the **policy effective** or **renewal date**, when **eligible claim expenses** are **incurred** but not paid until after the **effective** or **renewal date** of this **policy**.

Run-out claims

Eligible claim expenses incurred during a **policy period** but paid after a **policy period's** end date or the **termination date**.

Run-out period

A period of time immediately after a **policy period's** end date or the **termination date**, when you are paying **eligible claim expenses incurred** prior to a **policy period's** end date or the **termination date**.

Termination date

The date Stop Loss coverage ends at 11:59:59 p.m., according to the terms and provisions of the *Termination* section.

Transplant

A **transplant** is a medical procedure, replacing parts of the body including:

- Solid organs
- Hematopoietic stem cells
- Bone marrow
- CAR-T and T Cell receptor therapy for FDA-approved treatments
- Thymus tissue, for FDA-approved treatments