



STOP LOSS COVERAGE OPTION: **TERMINAL LIABILITY**

KRMA RECOGNIZES THAT SOMETIMES OUR CLIENTS MAY HAVE CIRCUMSTANCES THAT REQUIRE LEAVING A SELF FUNDED ARRANGEMENT. OUR TERMINAL LIABILITY OPTION REDUCES GAPS IN COVERAGE THAT COULD HAPPEN DURING A TRANSITION TO A FULLY INSURED HEALTH PLAN.

The Terminal Liability provision is available to those groups that meet the following parameters. An additional per employee per month premium is required for these provisions.

Please note that the Terminal Liability provision may be purchased on either the Specific or Aggregate coverage independently, or on both lines of coverage jointly.

- The Terminal Liability provision is available to groups with 250 or less employee lives
- Terminal Liability is available to groups coming off a fully insured plan or self-funded groups that currently have the provision.
- For groups on a 12/12 contract basis only
- The provision must be activated within 15 days of the end of the policy year if the group terminates and is only applicable if the group moves to a Fully Insured Group health product.
- The provision must be elected at the initial effective date and renewed continuously thereafter for the option to remain available on subsequent renewals.
- The provision is voided if the group terminates off anniversary.

Specific Terminal Liability

The Specific Terminal liability option provides three months of paid claims run-out coverage for claims incurred prior to the end of the contract period.

Aggregate Terminal Liability

The annual Aggregate Deductible is the greater of the following:

1. 125% of the Annual Aggregate Deductible calculated for the policy period, or
2. The sum of the Monthly Aggregate Deductibles for the three (3) months prior to the last day of the Policy Period, plus the Annual Aggregate Deductible calculated for that Policy Period.

The Benefit Period for the Aggregate Excess Loss Insurance will be revised so that the time period during which Covered Expenses must be paid by the Plan shall be extended for an additional 90 days. Specific Excess coverage is terminated effective at the end of the Policy Period unless Specific Terminal Liability coverage has been elected.

