



## STOP LOSS COVERAGE OPTION: MONTHLY AGGREGATE ACCOMMODATION

KRMA provides clients an ability to reduce the financial impact of monthly claim volatility with a Monthly Aggregate Accommodation Endorsement.

Monthly Accommodation is designed to supplement the Aggregate portion of the contract to help protect the policyholder from losses during months when claims activity is high. For a per employee per month fee this option allows for the policyholder to receive reimbursements under the Aggregate coverage during the policy year, rather than waiting until the end of the policy.

To be eligible for Aggregate Accommodation, the following parameters must be met:

- Group must have fewer than 250 employee lives
- Must be elected on the initial effective date and renewed continuously thereafter for the option to remain available on renewal
- \$2,000 threshold is required for filing an aggregate reimbursement claim (subject to the issuing carrier's treaty/policy requirements)

After the Insured has been paid Accommodation, the Employer will make monthly repayments of the total outstanding amount of Accommodations starting with the 1st month in which Claims Paid by the Employer for that month are less than

- a. the Monthly Aggregate Retention Amount and the Employer's Paid Claims for that month, or
- b. the total amount of Accommodations to be paid.

Monthly repayments would continue until all outstanding Accommodations have been repaid. If the Accommodation has not been repaid in full by the end of the Treaty Period, the total outstanding Accommodations is due immediately and must be paid within 15 days of notice by the Insurer to the Employer of the amount to serve as final repayment under the Aggregate Accommodation agreement.

Month	Total Paid Aggregate Claims	Accumulated Monthly Claims (YTD)	Monthly Aggregate Attachment Point	YTD Aggregate Attachment Point	YTD Agg Att Pt less YTD Agg Claims	Reimbursed by Stop Loss
#1	\$93,000	\$93,000	\$100,000	\$100,000	\$7,000	
#2	\$98,000	\$191,000	\$100,000	\$200,000	\$9,000	
#3	\$116,000	\$307,000	\$100,000	\$300,000	(\$7,000)	\$7,000
#4	\$96,000	\$397,000	\$100,000	\$400,000	\$3,000	

**Example: Aggregate stop-loss claims over a four-month period.** The accumulated monthly attachment point increases each month, based on the additional covered members. In the first two months the YTD Aggregate Claims amount does not exceed the YTD aggregate attachment point. In month three (3), the accumulated claims exceeds the accumulated monthly attachment point. The amount over the accumulated attachment point—\$7,000—is reimbursed to the policyholder. In the 4th month, the YTD Claims falls back below the YTD Attachment point. The policyholder would be asked to have the initial reimbursement returned to the carrier.