

## Stop-Loss Coverage Option: Terminal Liability

### What It Is

If a self-funded employer cancels their Stop-Loss coverage and returns to a fully insured health plan, Terminal Liability extends the specific and aggregate contract paid period by three or six months, covering claims after the cancellation date.

### Requirements and Cost Adjustments

The employer must elect Terminal Liability at the beginning of the contract and pay the premium for the entire contract period.

Contract Type	Terminal Liability Period	Illustrative Adjustment*
Specific	3 months	10 percent increase to premium
	6 months	15 percent increase to premium
Aggregate	3 months	10 percent increase to premium—Increase the attachment point by 3 months of factors
	6 months	15 percent increase to premium—Increase the attachment point by 6 months of factors

\* Final pricing is subject to underwriting discretion. Adjustments may be made based on underlying factors.

Terminal Liability covers any gaps in coverage that could happen during an employer's transition to a fully insured health plan.