

# Stop-Loss Coverage Feature: Aggregating Specific Deductibles

## What It Is

With this feature, employers pay reduced stop-loss premiums in exchange for taking on more risk of a set dollar amount, known as the Aggregate Specific Deductible. This is in addition to the Specific Deductible that is already in place. The Aggregate Specific Deductible covers the entire group and must be satisfied before an employer can get reimbursed.

## How It Works

This example shows an employer with a:

- \$200,000 Specific Deductible
- \$60,000 Aggregate Specific Deductible

Three employees each have claims that exceed the \$200,000 Specific Deductible.

Claims in Excess of the \$200,000 Deductible	Claim Amount	Difference between Claim amount and Specific Deductible	Amount Applied to Aggregate Specific Deductible	Reimbursement Amount
Employee 1	\$255,000	\$55,000	\$55,000	\$0
Employee 2	\$210,000	\$10,000	\$5,000	\$5,000
Employee 3	\$230,000	\$30,000	\$0	\$30,000
Total:		\$95,000 -	\$60,000 =	\$35,000

## Advantages

Employers have the potential to save money if:

- Total claims above the Specific Deductible are less than the Aggregate Specific Deductible.
- Total claims and the Aggregate Specific Deductible combined are less than Stop-Loss premiums without the additional risk in place.

## Requirements

- Only claims in excess of the Specific Deductible are applied to the Aggregate Specific Deductible.
- Claims covered under the Aggregate Specific Deductible do not apply toward the aggregate coverage.
- Once the Aggregate Specific Deductible is met, any additional eligible claims over the Specific Deductible will be reimbursed.
- Aggregate Specific Deductible amount is different for each employer and is determined during the underwriting process.
- Commissions are not paid on the Aggregate Specific Deductible.
- Subject to underwriting discretion.