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Small Group Excess Loss

In response to overwhelming demand, Bardon Insurance Group is more than pleased to offer excess loss coverage to the small-group market (minimum of 35 participating employee lives). At Bardon Insurance Group the needs of our TPA Partners matter! However, meeting this particular need is not without challenges.

The first challenge in offering stop-loss coverage to the under-100-employee-life market is the difficulty of obtaining credible claims experience and/or shock loss data. This is particularly true of groups that are currently covered under a fully insured plan. In order to meet this challenge, Bardon will offer stop-loss proposals on a manual basis when credible experience is not available contingent upon the receipt and review of Bardon's individual "Health Statements". The individual health statements are to be completed by each participating plan member. It is important to note that unlike fully-insured carriers that initially offer unrealistic rates that will be increased for anything that shows up on the applications, our rating methodology will be to offer a proposal based on standard assumptions and only revise the bid for significant deviations. In other words, our proposal will not show "marketing rates" that will be adjusted for every condition disclosed on the Health Statement but instead will provide room for common conditions. Specific deductibles are available down to \$10,000 though higher specifics are recommendable in most cases.

Groups that have three (3) years of experience with shock loss claims data (currently self-funded) will be underwritten in the traditional stop-loss manner. Bardon's underwriting will be based on the experience and the "disclosure" (completed within 15 days of the effective date).

The second challenge is the extra work created by meeting the first challenge. Although gathering and reviewing individual health statements aids us in assessing risk, it is certainly not without cost. This process requires a commitment of underwriting resources on the part of Bardon and often creates the additional work and expense of obtaining Attending Physician Statements (APS). Again, we have a solution.

Typically the task of obtaining an APS falls back on the TPA or broker and the amount of time and expense can be significant when working on several accounts. Therefore, Bardon has contracted with a third party to obtain Telephonic Medical Reports upon submission of a sold case. This provides a significant advantage to both our TPA Partners in terms of time saved as well as to Bardon in terms of ability to appropriately rate each group. In order to compensate for the expense of providing individual underwriting and the cost of obtaining each Telephonic Medical Report (over \$100 each), Bardon will include a small administrative fee (PEPM) built into each proposal.

Contact

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with questions and comments

Proposal requests may be emailed to proposal@bardon.net or faxed Dawn Turner at
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