



Helping you get the most from your benefit plan

The Small Group Benefit Experts - for groups of two or more

4551 W. 107th Suite 100
Overland Park, KS 66207
800.825.7531

Employer Benefit Adviser

March 2024

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What to Know This Month

Here's a sneak peek at the highlights in this issue:

1. The Hazards of Early Termination of Level-Funded Plans
2. Employers: Allied has You Covered!
3. Sign Your Renewal Docs From Adobe Acrobat Sign
4. New Blog – AI and Health Care Benefits
5. Office Closed March 29

The Hazards of Early Termination of Level-Funded Plans

Before you consider termination of your level-funded health plan you need to be aware of the consequences.

Level-funded health plans are a 12-month contract and, while you may think you can save money by cancelling early, here are some serious financial and legal possibilities for early cancellation.



- You will immediately lose all stop-loss insurance protection that ensures all claims are paid in a timely manner. This means that all claims currently being processed and those claims that are about to hit the claims fund have no stop-loss protection and you are 100% responsible for the total cost of the claim. The stop-loss insurance is extremely important as it caps your financial risk.

So, when the cap is removed, you bear the cost of claims at 100%.

- You signed a 12-month contract to pay claims for your employees that are on the plan. Breaking the contract does not dismiss your responsibility to pay the claims for those employees.
- In Funding Advantage Plans, the stop-loss carrier automatically advances dollars into the claims fund any month there is insufficient dollars available to pay claims. This is also called an accommodation feature. When you prematurely terminate prior to the 12-month plan year – you will be billed for loans that have been paid into the claims fund. Normally, as you make your regular monthly payments, any loans advanced to the claims fund are subsequently paid off through your monthly payments over the 12 months. When an early termination occurs, the contract is broken, and the stop-loss carrier bills you for advancement of loans paid to the claims fund. This can be significant should there be a catastrophic medical issue at hand.
- In addition, you lose the benefit of having Allied National as the benefits administrator. You could be responsible for paying claims from your own account. Allied can pay claims for what is left in the claims fund; however, the claims fund can only absorb so many claims before it is depleted, and you will be left to pay upcoming claims on your own.
- Employees might seek compensation if you cannot pay claims.

These are just a few of the crucial reasons it is in your best interest to stay on the plan for the full 12 months.

If you are considering early termination, please contact your agent or Client Services at 800-825-7531 to discuss the potential ramifications of this action.

Employers: Allied has You Covered

While employees are covered under Worker's Compensation, employers who have a Funding Advantage Plan have a type of occupational coverage.

Owners, partners and corporate officers can waive Workers Comp for themselves in certain states, and that's why Funding Advantage Plans automatically include an occupational coverage benefit.



The benefits provided under the plan's occupational coverage are payable for any eligible expenses caused by, incurred for, or resulting from bodily injury or sickness which arises out of or in the course of employment. *Note that this coverage applies whether an owner, partner or corporate officer is on the job or not.*

Talk to your agent or call Client Services at 800-825-7531 if you have questions.

Reminder: Sign Your Renewal Docs From Adobe Acrobat Sign

As we mentioned in our February “Employer Benefit Adviser”, your annual Renewal Funding Documents Package will be emailed to you from *Adobe Acrobat Sign*. The name of your company will be in the subject line; this is an actual email and not spam.

Many of our employer groups have been ignoring the email because they don’t realize the importance or legitimacy of the email, which is being sent on behalf of Allied National.

If it’s time for you to renew and you have questions while renewing or haven’t received all these packages, please contact your agent or our Client Services at 800-825-7531

New Blog - AI & Health Care Benefits

We’ve all heard a lot about AI these days, but have you wondered how it could affect the health care industry and in turn affect you and your family members as well as your employees?



Click on the link below to read our newest blog, “How AI Might Affect Healthcare Benefits” for some insight on what’s to come for health care benefits.

[AI & Health Care Benefits Blog](#)



Allied's Offices Will be Closed on Good Friday

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Allied National | 4551 W 107th St, Suite 100, Overland Park, KS 66207

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