

# Allied National

# Funding Advantage Group Submission Guidelines



*Effective for RFPs submitted on or after 9/1/2025*



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# Company Overview

## About Allied National

- 50+ years as a trusted Third-Party Administrator (TPA)
- A 90 Degree Benefits / BCBS of Alabama company
- Specializes in level-funded health plans for groups of 2–250 lives
- Plans underwritten by Fidelity Security Life (A-rated, AM Best)
- 150+ employees across Underwriting, Claims, Client Services, and more
- Headquarters: Overland Park, KS

## About 90 Degree Benefits

- Subsidiary of BCBS of Alabama
- 222 locations nationwide
- 500,000+ members
- \$3.4B in annual claims (*\$2.2M claims processed*)
- 770 employees
- Serves employers of all sizes
- Ranked among top 10 TPAs in the U.S.

# Allied's Underwriting Philosophy

## We Strive for Fast, Firm and Data-Driven Decisions

### Core Principles:

- Transparency: Clear criteria and agent communication
- Consistency: Standardized, fair process
- Flexibility: Case-by-case consideration
- Compliance: Fully aligned with legal and regulatory requirements

# Level Funding Basics

## ➤ What is Level Funding?

It is a hybrid funding model combining the savings of self funding with the predictability of 12 fixed monthly premium payments.

### Key features:

- Fixed Monthly Payment: Includes claims, administrative fees and stop-loss coverage
- Refund Potential: 100% of unused claim funds returned after run-out
- Claims Transparency: Online access to claim funds activity

### Agent advantages:

- Competitive and innovative alternative to traditional insurance
- Opportunity to educate clients on cost control

### How Allied National allocates premiums:

Premium is made up of three cost allocations



### Administrative and sales:

Covers the administrative & sales expenses for the administration of the health plan including claims processing, billing, underwriting services, customer service, reporting and more, as well as compensation for the broker/benefit consultant for their role in establishing and servicing the plan.

### Claim fund:

These are the dollars used to pay regular, smaller claims. Any unused money is refunded to the employer at the end of the run-out period and after all claims have been paid for the plan year.

### Stop-loss coverage:

This is insurance protection for larger claims for individuals (*total claims for any specific individual above the specific stop-loss threshold*) or for total aggregate claims exceeding the annual maximum claim fund. Stop-loss coverage provides employers with complete protection from unexpected claims during the plan year and the run-out period.

# Group Eligibility Guidelines

## ➤ Employee Eligibility:

- Full-time (30+ hours/week): Actively working or on approved medical leave
- Dependents: Legal spouse (*not separated/divorced/active military*), children under 26

## ➤ Dependent Definitions:

- Includes biological, step, adopted, foster, and grandchildren of employee or spouse
- Legal guardianship and QMCSO-supported dependents are eligible
- Domestic Partners - allowed with signed Allied affidavit at submission

## ➤ Disabled Dependents:

- Over age 26, must be unable to work due to disability and dependent on the parent

## ➤ Class Definitions (Carve-Outs):

- Must be non-discriminatory (*by occupation or length of service*)
- Employers may define classes (*e.g., Class 1: Management, Class 2: Hourly*)
- Plan offerings and contributions must be clearly defined by class

## ➤ 1099 Contractors:

- Eligible if working 30+ hours/week
- Cannot exceed 50% of total group
- Employer contributions are taxable

## ➤ Spouse/Family-Owned Groups:

- Must include at least one non-spouse W-2 employee
- Working-age children who are W-2 employees may count

## ➤ Owner-Only Groups:

- Not eligible under ERISA

## ➤ Industry Exclusions:

- Ineligible: Churches, law firms, municipalities, schools (*alternative products may be available. Contact your Account Executive*)

# Participation and Contribution Requirements

## ➤ Major Medical & Cost Saver:

- Participation: Minimum 40% of eligible full-time employees or 75% eligible employees after waivers
- Enrollment: Minimum 2 enrolled; groups of 2 must have 1 non-spouse W-2
- Contribution: Minimum 25% of employee cost

*Note: If group drops to 1 enrolled EE during the year, coverage ends in 90 days unless another common law employee is added.*

## ➤ MEC Plans:

- Participation: 100% eligible full time employees
- Enrollment: Minimum 5 employees
- Contribution: 100% employer-paid

# Firm Rate Submission Process

Send RFPs to [sales@alliednational.com](mailto:sales@alliednational.com)

## Major Medical Product

### ➤ Required for All Groups:

- Complete census – must include DOB, M/F, address, coverage type and dependent level information
- Group information (*group name, address, SIC code*)
- Requested plan design and effective date

### ➤ Groups of 2–9 Lives:

- Required: Completed IHQs – accepting Allied National, BCBS\*, United\*, AllState\* or state application\*  
*\* Non-Allied IHQs must include Allied National signed ERISA form*
- **5% discount given for using Allied National IHQs at time of initial RFP submission**
- Recommended for best rate: Current plan design, rates, and renewal package

### ➤ Groups of 10+ Lives:

- Recommended for best rate: Plan design, rates, renewal package, large claim report and **experience reporting (5% discount when experience reporting is provided with initial RFP)**

*Recommended information is not required but will provide us with a full picture of the group to allow for the best underwritten rate and alternative options. Rates will be considered firm but will be subject to change if there is a significant variance in census.*

## Cost Saver & MEC Products - Guaranteed Issue

### ➤ Required:

- Complete census – must include DOB, M/F, address, coverage type and dependent level information
- Group information (*Group name, address, SIC code*)
- Requested plan option & effective date

# Multiple Products Offered - Dual Class Offering

Allied's Funding Advantage program allows employers to offer multiple plan types to class-based employees:

- Major Medical
- Cost Saver
- Minimum Essential Coverage (MEC)

When the offer includes multiple plans, each class\* must meet the minimum employees and participation requirements defined for the product offered to that class\* as defined in the previous Participation and Contribution Requirements section.

\* Class definitions must be non-discriminatory and based on common standards such as position or wage. Allied National does not provide nondiscriminatory guidance and acceptance of a group using classes does not imply the class structure is nondiscriminatory. Employer should consult with their legal counsel to determine if the plan is nondiscriminatory plan under ERISA.

## ERISA Requirement:

- Must have at least one non-spousal W-2 employee enrolled
- Each class must meet plan-specific minimums for participation and enrollment

## Pre-Waiver Participation Table\*

Eligible	Minimum	%	Eligible	Minimum	%	Eligible	Minimum	%
2	2	100%	25	10	40%	50	20	40%
3	2	67%	30	12	40%	75	30	40%
5	3	60%	40	16	40%	90	36	40%

\* Contact your Account Executive for exceptions and full table.

# Questions?

Contact your Allied National Account Executive  
[sales@alliednational.com](mailto:sales@alliednational.com)

- Product or process question
- Case level rate or underwriting questions
- Class-based plan strategy
- Alternative product solutions for ineligible groups

Contracting & Licensing  
[underwriting@alliednational.com](mailto:underwriting@alliednational.com)



[www.alliednational.com](http://www.alliednational.com)