



MEDICAL STOP LOSS

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WHAT ARE YOUR SPECIFIC STOP LOSS ADVANCE FUNDING PROCEDURES?

The Specific Stop Loss Advance Funding procedure is the coordination of payment of a Specific Stop Loss Claim by Perico Life with the payment of the medical benefits by the Plan.

This procedure is intended to provide assistance with the payment of unusually large shock claims that can put a burden on a Plan's cash flow.

It will only be administered at the discretion of Perico Life Insurance Company.

Perico Life Insurance Company must receive written notice of Advance Funding requests **no later than five (5) business days after the expiration date.**

Checks totaling at least the amount of the Specific Deductible must be processed, paid and *released* to the indicated providers *prior* to the expiration of the Specific contract, or prior to the request, whichever is earlier.

The Employer must unconditionally pay all other claims for the claimant according to the terms of the Plan.

Checks relating to the Advance Funding portion of the claim must be released to the provider(s) or other indicated payees at least one (1) working day prior to the deposit of Perico Life's check.

Additionally, we require that:

a) A completed Advance Funding form is required for each Advance Funding request.

b) Advance Funding cannot be requested within thirty (30) days of a named insured canceling or terminating prematurely. For example, if a named insured's contract period runs from 4/1/06-3/31/07 and the named insured cancels their coverage early on 2/1/07, we would be unable to allow Advance Funding requests received during the month of January 2007.

Perico Life's contracts are written on a Reimbursement basis only, which means the Plan pays all eligible expenses first, and Perico Life subsequently reimburses them. The only mechanism that allows us to amend this provision and assist our clients with the payment of large medical charges is our Advance Funding program. Therefore, if requesting an Advance Funding, *it is critical that you follow all of these procedures. Otherwise, your Specific Claim will be reviewed on a Reimbursement basis and part, if not all, of your Stop Loss request could be denied.*

Contact your Regional Marketing Director for more information.