

INTRODUCING...

SET Self-Funded Health and Welfare Benefits Program

We are pleased to introduce the Single Employer Trust (SET) Self-Funded Health and Welfare Benefits Program. All operational aspects of the program – market distribution, underwriting, new business, claims payment, customer service, etc. – are provided by American Benefit Administrative Services, Inc. (ABAS).

The SET program presents an alternative to traditional insured plans. It is a “bundled” service which assists employers with establishing their own self-funded health and welfare benefit plan with stop loss coverage issued on an aggregate only basis (no specific stop loss coverage provided, however, the aggregate excess loss coverage limits the plans’ liability for large claims). As a self-funded plan, the employer “funds” each month up to the maximum liability, i.e., 105% of expected claims. The employer purchases excess loss coverage and is issued an aggregate only stop loss insurance policy (issued by **Companion Life Insurance Company, rated A+ (Superior) by A.M. Best**). The excess loss coverage (aggregate policy) provides the funding to pay benefit claims above the contributions of the employer. A separate claim account (self insured retention or SIR) is established for each group (no commingling of funds is permitted). Regardless of the actual claims in a given month, the employer funds the same amount each month throughout the plan year (subject to changes in enrollment and/or demographics).

The SET program has been designed to meet DOL (Department of Labor) guidelines. As with any other self-funded plan, each employer’s health and welfare benefit plan is governed by ERISA, and as such, adheres to federal laws, federal mandates.

The SET Self-Funded Health and Welfare Benefits Program provides guidelines and assistance for establishing a single employer health and welfare benefit program which includes one or more of the following proposed benefit designs to choose from:

- **PREMIER** - 90/70 and 80/60 PPO benefit designs with deductibles ranging from \$250 to \$5,000
- **ADVANTAGE** - 80/50 PPO benefit design with deductibles ranging from \$500 to \$5,000
(less costly alternative to Premier)
- **BASIC MED I** - 80/50 PPO benefit design with a \$25,000 individual annual maximum benefit
- **BASIC MED II** - limited benefit design covering basic needs

The SET Self-Funded Health and Welfare Benefits Program enables large employers to offer up to four benefit designs for their employees. An employer may contribute a percentage toward the Advantage benefit design and leave it up to each employee to “buy up” to Premier or conversely, “buy down” to Basic Med I or Basic Med II.

*Please refer to the **Program Highlights and Funding Flow Chart** for additional information.*