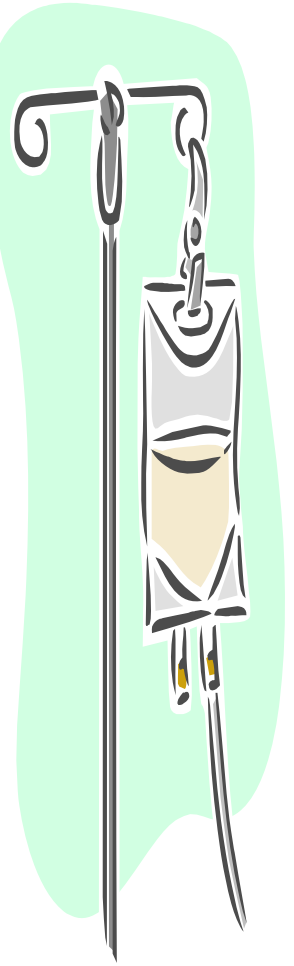


Administrative Services Only

Pacific Employee Benefits



An Administrative Services Only Plan (ASO) is a cost effective alternative for companies offering group insurance benefits to their employees.

Working much the same as traditional group benefits coverage, an ASO can:

- Provide reimbursement to your employees for their medical expenses
- Cover items not covered by traditional group insurance programs

What is an ASO?

ASO is simply a funding mechanism for a traditional Group Life and Health insurance program. A Group Life and Health plan can be divided into two parts, specifically pooled and experience rated benefits. Pooled are benefits such as Life insurance and Long Term Disability. Pooled benefits are always insured due to the risk involved. Experience rated benefits include Dental, Extended Health and Vision coverage.

In an ASO contract, the pooled benefits are insured and the experience rated benefits are funded by the employer who pays the cost of claims incurred along with a fee for claims adjudication and administration services.

This funding model, although typically used for larger employers, can be implemented for small and medium sized companies as well. It simply allows employers to benefit from lower expense charges in return for assuming the claims risk.

To limit the claims risk assumed by the employer an insurance product called a “Stoploss” is applied for, which limits the employer’s liability to a predetermined level.

ASO Feature Highlights

- Flexible Plan design
- Lower overall costs in the long term
- Available to companies with as few as 5 employees
- Easy to administer
- Mirrors a Traditional Insured plan
- Drug card available
- Dental claims can be paid directly to the Dentist