20PLUS

ASO SPLIT-FUNDED PLAN

Group solutions

Insurance & Investments
WHAT IS AN ASO SPLIT-FUNDED PLAN?

An ASO Split-Funded Plan provides an employer the opportunity to self-insure the lower risk components of Extended Health Care and Dental Care benefits. Empire Life will provide claims and administration services for the self-insured Administrative Services Only (ASO) portions of the plan and fully pool the remainder of the benefits.

PLAN DESIGN

This Product is available to employers with 20 or more insurable employees.

Extended Health Benefits

An employer may elect to self-insure:
- All Extended Health Benefits except Out of Country; or
- Drugs only; or
- Incidental Health Expense only.

Dental Care

An employer may select to self-insure the Dental Care Benefit (Basic procedures, Periodontic and Endodontic procedures, Major Restorative procedures and Orthodontic procedures). The employer will assume all eligible claims risks.
Healthcare Large Amount Pooling (LAP)

LAP provides employers the ability to limit the amount of self-insured claims they pay. In exchange for a relatively small premium, Empire Life assumes responsibility for all certificate claims in excess of the limit.

You can choose LAP coverage for the Extended Health Benefits that are part of the group benefits plan* (excluding Out of Country claims, which are always insured), or Drug only. Selection of this coverage allows the employers to protect themselves from the potentially disastrous effects which can occur when there are unusually high claims from a single certificate.

*Incidental Health Expense claims are excluded from LAP

### Thresholds

<table>
<thead>
<tr>
<th>Provision</th>
<th>Threshold</th>
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<tbody>
<tr>
<td>All EHB Benefits except Emergency Travel</td>
<td>$10,000 (Default), $15,000, $20,000, $25,000</td>
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<tr>
<td>Assistance Program</td>
<td></td>
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<tr>
<td>Drug Only</td>
<td>$7,500</td>
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### Insured Benefits

The following are fully insured:

- Any self-insured claims in excess of the elected LAP limit.
- Life Insurance
- Weekly Indemnity
- Long Term Disability
- Insured Extended Health Care and Dental Care

These benefits will follow the more traditional approach to insurance where, in exchange for a premium, Empire Life will assume the responsibility for ensuring the payment of all eligible claims.

### ADMINISTRATION

#### Monthly Billing

The employer will receive a monthly billing which will outline the premiums required for each employee. This billing will show two separate rates for each insured employee, one for the fully insured portion of the plan and the other for the ASO portion. The billing will also include a monthly summary of the required premium which will also be split with the fully insured premium and the required ASO deposit shown separately.

#### Quarterly Reconciliations

On both a quarterly basis and at each renewal a reconciliation of the ASO account will be performed. The employer will be provided with a statement, by benefit. This statement will detail all deposits and charges applied to the account since the last reconciliation and report the account’s current balance. Typical charges to the account may include:

- Claims paid during period
- Premium tax
- Administration fees
- Commissions
The Empire Life Insurance Company (Empire Life) is a proud Canadian company that has been in business since 1923. We offer individual and group life and health insurance, investment and retirement products, including mutual funds through our wholly-owned subsidiary Empire Life Investments Inc.

Empire Life is among the top 10 life insurance companies in Canada\(^1\) and is rated A (Excellent) by A.M. Best Company\(^2\). Our mission is to make it simple, fast and easy for Canadians to get the investment, insurance and group benefits coverage they need to build wealth, generate income, and achieve financial security.

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\(^1\) Based on general fund and segregated fund assets in Canada as at December 31, 2016 as reported in regulatory filings
\(^2\) As at June 1, 2017. For the latest rating, access www.ambest.com.

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