

# Dental ASO



## SELF-INSURING DENTAL BENEFITS

Dental ASO provides an employer with the opportunity to self-insure their Dental Care benefits. Since Dental benefits are typically a lower risk component of the group benefit plan, by assuming the claims risk, employers enjoy potential cost savings while the remainder of their benefits are fully insured.



### Plan Design

Any Dental Care benefit (Basic procedures, Periodontic and Endodontic procedures, Major Restorative, and Orthodontic procedures) available through the BeneFit product is eligible for this funding arrangement.



### Why Dental ASO?

Dental claims are typically more predictable than other benefits. Employers who assume the dental claims risk will enjoy potential cost savings over the long run. Employers will be paying only for the eligible claims made by their insured employees and their dependents, plus expenses. Since the employer is self-insuring the dental benefit they do not pay the risk premium that is in the insured dental rates.



## Administration

### Monthly Billing

The employer will receive a monthly billing which will outline the deposits for each employee. The monthly dental deposit rates will reflect the expected eligible dental claims plus expenses. The expenses will include administration fees, premium tax (where applicable), and commissions.

### Annual Reconciliation

There will be an annual reconciliation where the total deposits received will be balanced against the eligible claims paid, plus expenses. If the balance is positive, the surplus will be credited on the next billing. If the balance is negative, the deficit will be charged on the next billing. The reconciliation will occur 3 months prior to the renewal date.

### Know the Risks

The initial monthly deposit rates reflect a certain level of anticipated dental claims and expenses based on various factors such as the plan design and employee demographics. Some factors make dental claims more difficult to predict (i.e. small employee group, high employee turnover) and increase the likelihood of a significant adjustment at the annual reconciliation. Since the initial deposit rates are estimates and the actual results can vary, the employer should be aware that there could be a deficit or surplus at the annual reconciliation.

The commitment to Dental ASO should be long-term, as over time, the Employer will see a lower net cost.

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