

ASO – An Alternative to Traditional Group Benefit Insurance

What is ASO?

ASO (Administrative Services Only) is a cost-effective Group Insurance option that has historically only been offered by the major Group Insurance Companies to companies with 100 lives or more. This significantly differs from Traditional Group Insurance in that it is Self-Insurance. With ASO companies move from paying a monthly insurance fee regardless of benefits used, to a pay-as-you-use model.

Many companies have employees who do not use any medical or dental benefits. The company is still hit with the monthly single employee Group insurance fee for that employee. Under ASO the company would not pay anything as the company is only charged for what the employee uses.

What about Employees that use a high amount of benefits?

There is some amount of insurance that is purchased as part of ASO called Stop-Loss Insurance. Stop-Loss Insurance puts an upper limit on Medical and Dental exposure. This limit is determined by finding the average usage per employee over a 2 year period then purchasing the right amount of Stop-Loss Insurance per employee. Stop-Loss Insurance is available in amounts of \$1,000, \$2,000, \$3,000, \$4,000 and \$5,000.

For example, a company has 10 employees with average use of \$1,560 per employee. Under the ASO model the company will purchase Stop-Loss Insurance of \$2,000 per employee.

What are savings type of savings can my company expect?

On average we save Clients 30% per year switching from Traditional Group Insurance to ASO.

How do I get a quote on ASO?

In order to get a quote on ASO we will need:

- A copy of current Group Insurance Plan
- A copy of a current Group Benefit Invoice
- A list on Employees/Gender of Employees, Age and indication of Family/Single use
- Last 2 years Claims Experience