



April 23, 2010

Important Major Medical Complement Information and Reminders

The response and growing interest in the new GAP plan, *The Major Medical Complement*, has been outstanding. In response to the excellent acceptance of this new product, we would like to provide added information on this product offering. Please review the Important Aspects and Informational Reminders below.

Important Aspects of *The Major Medical Complement*

- Age band increases will be implemented upon policy anniversary (there are only 3 age bands within this policy)
- This is a COBRA eligible product - employers with 20 or more employees are required to offer COBRA
- This product is subject to the American Recovery and Reinvestment Act of 2009 (ARRA) subsidy
- AWD will not provide COBRA administration for this product
- An employer may contact our TPA, COBRAGuard, and pay for COBRA administrative services
- The Major Complement is not HSA compatible; if an employer has set up a major medical plan as a HSA, then participants in that plan are not eligible for the GAP product
- The Major Complement is Health Reimbursement Account (HRA) compatible
- The product is not subject to Employee Retirement Income Security Act (ERISA)
- Benefits are paid on a Calendar Year basis (Jan 1st through Dec 31st)
- Unions and Associations are not eligible for this product
- PEOs are a restricted industry, but you can complete the PEO Questionnaire and get prior approval to quote a PEO
- Prescription drugs are not covered under this plan

Informational Reminders on *The Major Medical Complement*

- Although you can fax in the Employer Application (A01027) to begin installation, the original Employer Application **must be submitted** as it becomes part of the Master Contract – **no commissions can be paid until this has been received**
- All installation paperwork must be received by the 7th of the month in order to receive a 1st of the month effective date
- Proposals are created using the Rate Generator located on the Agent Website under Supply Manual/Forms Online > Rate Generators > Major Medical Complement (GAP); proposals are to be presented with Employer Brochure, AWD15504
- Requests for proposals with more than a \$7,000 Hospital Confinement Benefit (\$10,000 maximum benefit) will be processed by Special Insurance Services (SIS) – major medical plan specifications are required to generate the proposal
- Composite rates are available on the Rate Generator; however, the employer must be contributing 50% of the employee premium and have at least 25 eligible people on the census to participate in the composite rate structure
- Customized Employee brochures used for enrollment are ordered using the AWD8145 request form; please allow for a 15 business day turn around
- Use the AWD15690 TMC New Business Checklist to insure that all proper documentation has been submitted to install your business
- Make sure that the agent(s) is/are appointed with Fidelity Security Life Insurance Company (FSL) prior to enrollment

We hope you find this information informative, and we appreciate and value the business you place with our company. If you have any questions on this or any product or service in our vast portfolio, please contact your regional office. Regional office contact information can be found by [clicking here](#).

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