



Pan-American Life Insurance Company offers an executive reimbursement policy, Policy Form No. BCS-P-07, and a reimbursement policy SUPPMED -P-07, both administered by BeniComp, Inc.

When this Policy Form is offered as supplemental coverage for a group health plan which provides major medical coverage to eligible employees and/or their dependents, the Policy can qualify as an “excepted benefits” arrangement, as recognized in ERISA, the Public Health Services Act, and the Internal Revenue Code.

The US Department of Labor and the Department of Health and Human Services have added additional guidance for safe harbor status which include the following: (i) the coverage must be designed to fill gaps in primary coverage, such as co-insurance or deductibles, (ii) the coverage must be issued under a separate policy, certificate, or contract of insurance, separate from the primary coverage, and (iii) the cost of the supplemental coverage must not exceed 15 percent of the cost of primary coverage.

The Affordable Care Act does not impose coverage requirements for “excepted benefits” arrangements.

When offered as supplemental coverage, a plan funded with a group policy using Policy Form No. BCS-P-07 or SUPPMED-P-07, should not be subject to any non-discrimination rules relating to highly compensated employees. Under the Affordable Care Act, the non-discrimination rules for insured group health plans were incorporated into Part A, Subchapter XXV of the Public Health Service Act, and codified at 42 USC 300gg-16, as part of the “Individual and Group Market Reforms.” However, as further provided in the PHSA at 42 USC 300gg-21, these reforms are not applicable to “excepted benefits,” including coverage supplemental to a group health plan.

DISCLAIMER

This summary is intended to convey general information regarding Form No. BCS-P-07 or SUPPMED-P-07. It is not an exhaustive statement of applicable ACA provisions. This is not intended as an offer of sale.

Pan-American Life Insurance Company does not provide legal or tax advice. For advice specific to a particular plan sponsor, or particular plan design, or jurisdiction, legal counsel should be obtained.

Policy Form No. BCS-P-07 or SUPPMED-P-07 may not be available in all states. For more information about the Policy, you may contact a BeniComp representative at 260-482-7400.