

Executive Medical Reimbursement

What is an Executive Medical Reimbursement Plan?

A Medical Reimbursement Plan is a fully insured reimbursement plan that allows an employer to reimburse key employees for most medical, vision, hearing and dental expenses not otherwise covered by their existing benefit plan i.e. deductible, coinsurance, copayments among other things.

How Does Executive Medical Reimbursement work?

Medical Reimbursement Plan allows employers to reimburse their key employees for most medical expenses not otherwise covered by their base health insurance plan. Rather than reward all employees at a company, the employer is able to reward individual employees or groups of employees by class. **For example**, an employer could create three classes:

- \$100,000 policy for the president
- \$50,000 policies for the vice presidents
- \$10,000 policies for the directors

These "classes" are created by the employer.

An employer pays a \$250 annual premium for each of the executive participants. When a participant has eligible reimbursable expenses, they are submitted to the carrier for reimbursement. The approved claim + 11% is paid by the employer, and the carrier reimburses the key executive directly if they have signed up for direct deposit.

Who is covered under this policy?

The policy covers the participant and any qualified dependents, and is based on specific state mandates.

Why should I choose Executive Medical Reimbursement Select instead of an FSA or HRA?

	Flex/125	105	HRA	Executive Medical Reimbursement
Eligibility*	Everyone	Everyone	Everyone	Class defined by Employer
Pre Funding	Yes	Yes	Yes	No
Use it/Lose it	Yes	No	No	No
Admin Premium	Monthly	Monthly	Monthly	\$250 Annually + 11% of Claims

Do I have to purchase this policy for all employees?

No, this policy can be placed on as few or as many employees, based on class, as the company chooses. Further, the company has the option of choosing different benefit levels on different classes of employees. Classes are determined by the company. If a policy is being offered to a class, everyone eligible for the designated class must be offered the plan.

Are the expenses tax deductible as a business expense?

Yes. Since this is an insured product the expense is tax deductible. This allows the company to pay for unreimbursed medical expenses and avoids you having to use "after-tax" income to pay for expenses.