



*The*  
**Smart**  
*way to*  
**Share**  
*Risk*

# What is SmartShare®?

At its core, Smartshare® is level-funded stop loss with both specific and aggregate attachment points. Meaning, a group could have an individual experience a large claim and never have to use their total aggregate funding. SmartShare® is just that—the smarter way to share risk.

## Narrow Aggregate Corridor

Smartshare® has a lower aggregate corridor in order to provide employers with a lower monthly budget.

## Deferred Aggregate Premium

A lower corridor usually means a higher aggregate premium. With SmartShare®, this is paid out of residual aggregate factors already funded by the client. No residual means no premium is due!

## Level Funding

A payment schedule that combines level, monthly payments with a stop-loss agreement to protect employers from unpredictable cash flow.

# How does a Deferred Aggregate Premium work?

SmartShare® has the same front-end aggregate premium as a traditional specific and aggregate product but with a narrower aggregate corridor. To offset the additional risk of a low corridor, a Deferred Aggregate Premium is collected by the carrier at the close of the contract, but only if there is remaining Aggregate Claims Funding.

If the client renews with the same carrier, they keep 60% of the remaining fully funded aggregate factors. If the client does not renew, they keep 20%.

*Below is an example showing what happens when the client renews:*

<b>Aggregate Claims Funding</b>	\$550,000
<b>Less claims paid</b>	\$450,000
<b>Remaining Aggregate Funding</b>	\$100,000
<b>Client renews &amp; retains</b>	60%
<b>Client retains</b>	\$60,000
<b>Deferred Aggregate Premium</b>	\$40,000

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*If the client does not have aggregate funding remaining:*

<b>Aggregate Claims Funding</b>	\$550,000
<b>Less claims paid</b>	\$600,000
<b>Remaining Aggregate Funding</b>	\$0
<b>Client retains</b>	\$0
<b>Deferred Aggregate Premium</b>	\$0

## Quote Requests Must Include

- Current Schedule of Benefits
- Current rates and, if available, renewal rates
- All available claims experience
- Member Census

# TPAC Underwriting Guidelines

## Case Size

- ▶ 25 employees required to quote, varies to comply with state regulation

## Participation Requirements

- ▶ 75% participation of all eligible employees is required

## Ineligible Industries

- ▶ PEOs, MEWAs, associations
- ▶ Long haul trucking
- ▶ Employee leasing firms
- ▶ Tribal owned firms

*SmartShare® is not available in all territories. Please contact TPAC to see if your state qualifies.*



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