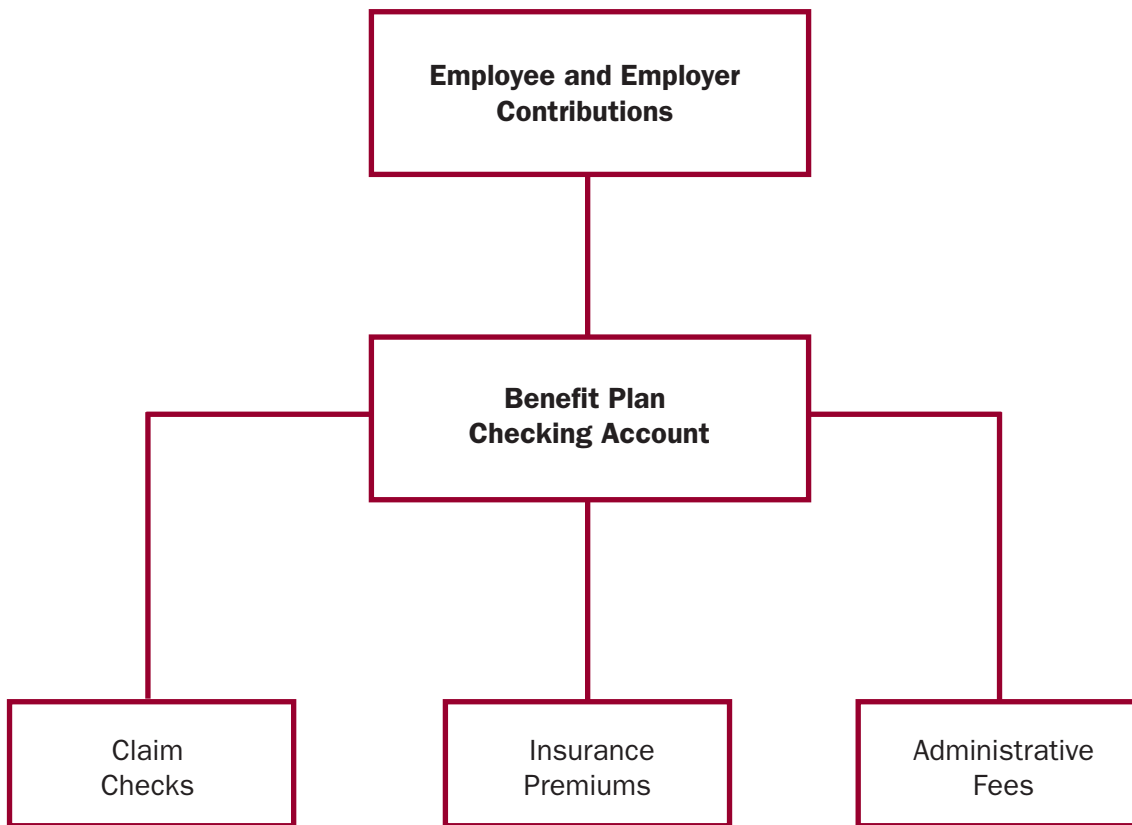


How Self-Funded Coverage Works

Self-funded plans are operated by employer groups. Employees and the employer contribute funds to the plan, pooling that money into an account used only for the benefit plan. Once that money is deposited, a third-party administrator, or TPA, manages the plan. The TPA arranges claims processing, provides documentation and pays premiums and claims from the account funds, while charging a fee for plan administration. The graphic below shows the process.



The primary advantage self-funded plans hold over traditional “fully-insured” plans is that they can be customized to the employer group’s specified requirements. It also allows the employer to control what benefits are offered and how the plan is administered. To learn more about self-funded plans, contact your insurance broker or Noridian Benefit Plan Administrators.



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