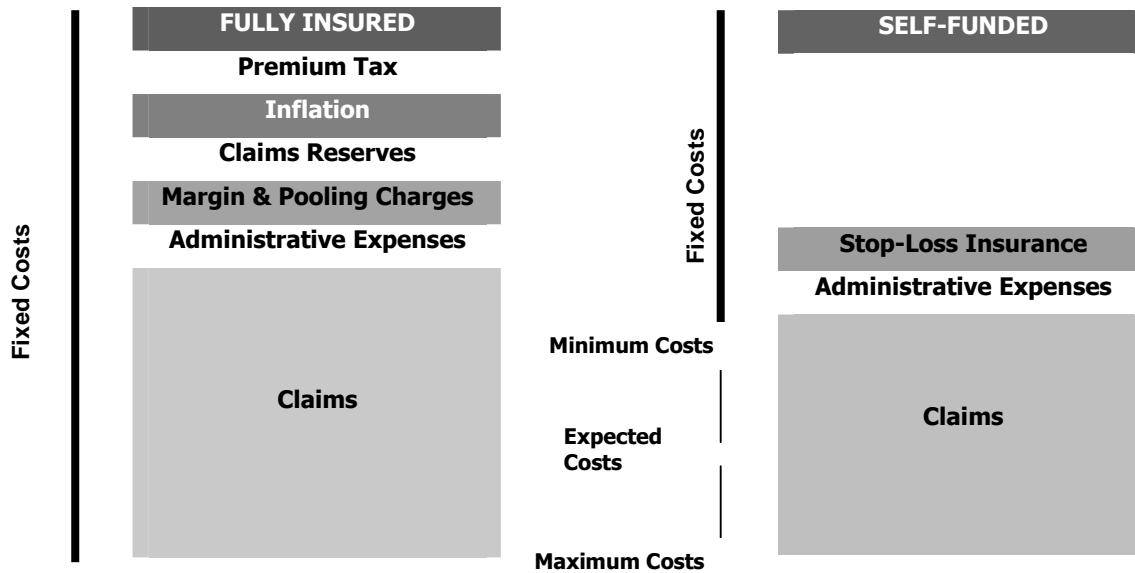


**FULLY INSURED
VS
SELF-FUNDED**

**Health Insurance
Program**



We are pleased to present this example for Health coverage.

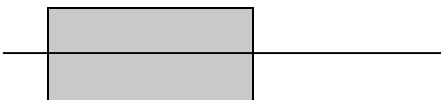
There are several things to consider when reviewing this example.

The minimum cost of the plan can be as low as what is outlined in the fixed cost illustration. In a low claim year, you may experience only slightly more than what is illustrated.

The maximum cost illustration is presented as the "worst case" scenario for a year with very high claims. Stop-loss coverage protects you from ever exceeding that level.

However, you should focus your attention on the **expected** cost illustration. These numbers are based on the profile of the employee population used for this example and reflects what you can **expect** to experience in a claim activity throughout a contract year.

- **For Example Purposes Only**



**EXAMPLE OF A
HEALTH INSURANCE
SUMMARY OF BENEFITS
FOR A PPO PLAN**

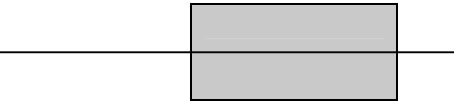
Plan highlights	In-network benefits	Out-of-network benefits
Preventive care	100% after \$25 co-pay Up to \$200/year	Not Covered
Physician office visits Includes outpatient surgery	100% after \$25 co-pay of the first \$200/visit, then subject to deductible and co-insurance	Subject to deductible and co-insurance
Urgent care facility	100% after \$25 co-pay of the first \$200 per visit, then subject to deductible and co- insurance	Subject to out-of-network deductible and coinsurance
Emergency room services	80% after deductible (in-and out-of network)	
Prescription drugs	Generic \$8 co-pay, then 100% Formulary \$25 co-pay, then 100% Brand name \$50 co-pay, then 100% Mail order: Generic \$16 co-pay, then 100% Formulary \$50 co-pay, then 100% Brand name \$100 co-pay, then 100%	Generic \$8 co-pay, then 100% Formulary \$25 co-pay, then 100% Brand name \$50 co-pay, then 100% Mail order not available
Hospital inpatient care <ul style="list-style-type: none">• Semi-private room (private room when medically necessary)• Intensive Care unit	80% after deductible	60% after deductible
Outpatient therapy Physical speech, and occupational therapy. Physical therapy up to 15 visit/year. (additional visits allowed if medically necessary)	100% after \$25 co-pay of the first \$200/visit, then subject to deductible and co-insurance	Subject to deductible and co-insurance
Chiropractic care Up to 15 visits / year	100% after \$25 co-pay of the first \$200 per visit, then subject to deductible and co- insurance	Subject to deductible and co-insurance
Outpatient laboratory services Through LabOne	100%	Not Available
Mental and nervous disorders <ul style="list-style-type: none">• Inpatient care (up to \$10,000/year)• Outpatient (up to 30 visits/year)	80% after deductible 100% after \$25 co-pay of the first \$200 per visit, then subject to deductible and co- insurance	Subject to deductible and co-insurance
Chemical dependency treatment <ul style="list-style-type: none">• Inpatient care (up to \$10,000/year)• Outpatient care (up to \$1,000/year)	80% after deductible 100% after \$25 co-pay of the first \$200 per visit, then subject to deductible and co- insurance	Subject to deductible and co-insurance
Extended Care facility Up to 120 days/year	80% after deductible	60% after deductible
Home health care Up to 180 visits/year	80% after deductible	60% after deductible
Calendar- year deductible (Options available)	\$1,000 (maximum \$2,000 per family)	\$2,000 (maximum \$4,000 per family)
Co-insurance	80%	60%
Out-of-pocket maximum (Excludes deductible)	Single Family \$2,000 \$4,000	Single Family \$8,000 \$16,000
Lifetime maximum benefit	\$2 million combined in-and out-of-network	

● For Example Purposes Only

**EXPECTED COST
PPO PLAN**

Census Information			
Single	12		
Family	42		
Total	54		
		Option #1	Option #2
REINSURANCE PROVIDED BY			
Carrier / Source	To Be Determined		
SPECIFIC COVERAGE			
Specific Deductible/Person		\$20,000.00	\$25,000.00
Benefit Covered		Medical / Rx	Medical / Rx
Contract Type		12/12 w/TLO	12/12 w/TLO
Lifetime Maximum Benefit / Person		\$2,000,000	\$2,000,000
AGGREGATE COVERAGE			
Benefits Covered		Medical / Rx	Medical / Rx
Contract Type		12/12 w/TLO	12/12 w/TLO
Policy Year Maximum Benefit		\$1,000,000	\$1,000,000
FIXED COSTS-MONTHLY		(A)	
Single		\$172.73	\$161.84
Family		\$300.35	\$278.49
Total Monthly Fixed Cost		\$14,687.52	\$13,638.61
Annual Fixed Cost		\$176,250.27	\$163,663.36
EXPECTED CLAIM LIABILITY-MONTHLY		(B)	
Single		\$162.32	\$171.54
Family		\$444.63	\$462.76
Total Monthly Expected Claim Cost		\$20,622.38	\$21,494.45
Annual Expected Claim Cost		\$247,468.61	\$257,933.38
TOTAL EXPECTED COST			
Single		\$335.05	\$333.38
Family		\$744.98	\$741.25
Total Monthly Expected Cost		\$35,309.91	\$35,133.06
Annual Expected Cost		\$423,718.88	\$421,596.74

• For Example Purposes Only



**EXPECTED COST
SELF-FUNDED PLAN**

Terminal Liability Illustration	Option #1	Option #2
ADMINISTRATION COSTS:		
Single	\$1,740.00	\$1,740.00
Family	\$6,090.00	\$6,090.00
Total Run-Out Administration Costs	\$7,830.00	\$7,830.00
TERMINAL LIABILITY FACTORS		
Single	\$202.90	\$214.43
Family	\$555.79	\$578.45
Terminal Claims Liability	\$77,333.94	\$80,604.18
TOTAL RUN-OUT/TERMINAL LIABILITY PROJECTIONS:	(A+B)	
Annual Maximum Cost	\$85,163.94	\$88,434.18
LIFE INSURANCE PROPOSAL		
<p>Carrier: HCC Life Life Volume: \$15,000 Life Rate per \$1,000: 0.39 AD&D Rate per \$1,000: 0.04 Life Schedule: Life and AD&D Benefits reduce to 65% at age 65, 45% at age 70, 30% at age 75, 20% at age 80, and terminates at age 85. All reductions are based on the amount of insurance in force prior to age 65. All coverage terminates at retirement.</p> <p>Life Insurance is required. Note: Life Insurance costs are NOT included with the medical fixed costs.</p>		

● For Example Purposes Only

