CITY OF GAUTIER
MEMORANDUM

To: Samantha Abell, City Manager

From: Jason Pugh, Human Resources Director

Date: 08/25/14

Subject: Renewal of Self-funded Health Insurance Plan for FY2015

REQUEST

The Human Resources Department requests City Council approval to renew the Self Funded Health Insurance Plan for FY2015. This request includes a renewal of all associated voluntary policies and two new plan amendments with no increase in the city paid funding rates for FY2015.

BACKGROUND:

The City of Gautier has operated a self insured health, dental and voluntary benefits plan since 2004. Fox Everett Hub International has acted as our Third Party Administrator over this plan since 2004.

DISCUSSION:

In renewing this plan, it is recommended that the city accept the reinsurance proposal from HCC Life with an Individual Specific Deductible of $65,000, No Laser Option and 45% Rate Cap with Fox Everett Hub International acting as the Third Party Administrator. Approval of this renewal will also include a renewal of the fully insured transplant policy through Fairmont Specialty, the Teledoc program (formerly Consult A Doc), Fox Everett Voluntary Dental policy, Always Care Voluntary Vision policy, Voluntary Humana Cancer Policy, Unum Employer paid Life and AD&D policy, and the Unum Voluntary Long Term Disability, Short Term Disability, Accident and Voluntary Life policies.

This renewal also includes two (2) plan amendments in order to remain in compliance with the Affordable Care Act.

Amendment #10 - This amendment is mandatory for all employers under the Affordable Care Act and replaces any previous language concerning HIPAA privacy practices.

Amendment #11 – This amendment is mandatory for all employers under the Affordable Care Act and eliminates non-coverage for pre-existing conditions, removes the limit on annual maximum benefits, requires children of insured to be allowed to remain on the plan until age 26 and includes a right of rescission of coverage in the case of fraud. Additionally, this amendment will also modify the waiting period for coverage on our insurance plan to the 1st day of the month following 60 days from the date the employee meets the definition of a full time employee (i.e. date of hire).

FINANCIAL IMPACT

There is no increased financial impact to the City of Gautier this fiscal year. The funding rates for this fiscal year will remain the same. All voluntary benefits (employee paid) premiums are unchanged with the exception of Always Care Vision which will include a 5% rate increase.

RECOMMENDATION:

It is recommended that the Gautier City Council approve the renewal of the City of Gautier Self Funded Health plan and all accompanying Voluntary policies and required Amendments with Fox Everett Hub International acting as the Third Party Administrator for FY2015. It is further recommended that funding rates remain unchanged for FY2015.

ATTACHMENT(S):

Fox Everett Checklist
Recap of Costs/Reinsurance Proposal from HCC Life
Fairmont Specialty Fully Insured Transplant Coverage
Amendment #10
Amendment #11
Always Care Renewal Notification
Fox Everett Dental Renewal
Unum Voluntary Benefits Renewal
Humana Cancer Policy Renewal

HUB International | FOX / EVERETT

City Of Gautier
September 2, 2014

The Board votes to accept the reinsurance proposal from HCC Life effective date Oct 1, 2014 with a Specific Deductible $65,000 and No Laser Option and Rate Cap of 45% and Fox/Everett Hub International as the Third Party Administrator. The recommendation is to continue with the current funding rates. Yes ☐ No ☐

The Board votes to accept the Fully Insured transplant renewal from Fairmont Specialty and the Teledoc Program effective Oct 1, 2014. Yes ☐ No ☐

The Board votes to accept amendment #10 Effective 9/23/13 required HIPPAA Privacy Practices. Yes ☐ No ☐

The Board votes to accept the amendment #11 Mandatory Healthcare Reform plan changes (Eliminating annual maximum benefit, eliminating pre-existing conditions, Children up to age 26 can remain on the plan regardless of access of other coverage, and dependent right of rescission if fraud or intentional misrepresentation of material fact. Amendment #11effective 101/1/14 also includes changing the waiting period for all benefits to 1st of month following 60 days from the date of hire. Yes ☐ No ☐

The Board votes to accept the Voluntary Vision Renewal from Always Care with 5% rate increase. Yes ☐ No ☐

The Board votes to accept the Voluntary Self Funded Dental with no change in rates or benefits for 2014-2015. Yes ☐ No ☐

The Board votes to accept the Employer paid Life, AD&D, and Voluntary Long Term Disability, Short Term Disability, Accident and Voluntary Life renewal from Unum effective Oct 1, 2014 with no rate change. Yes ☐ No ☐

Signed:_____ Title:_____
Date:_____

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City of Gautier Recap of Costs October 1, 2014

	HCC LIFE	HCC LIFE NNLO with 45% Rate Cap (RECOMMENDED)
SPECIFIC EXCESS COVERAGE	**Current**	**Option 1**
Coverages	Medical & Rx	Medical & Rx
Contract Basis	12/15	12/15
Laser	N/A	N/A
1. Individual Specific Deductible	$ 65,000	$ 65,000
2. Limit of Liability Per Covered Person	Unlimited	Unlimited
3. Employees without dependents	48	48
4. Families (including employees)	55	55
TOTAL CENSUS	**103**	**103**
5. Monthly Premium Rates - Single	$ 86.86	$ 86.86
6. Monthly Premium Rates - Family	$ 217.26	$ 217.26
7. Estimated Annual Specific Premium	**$ 193,422**	**$ 193,422**
AGGREGATE EXCESS LOSS		
Coverages	Medical & Rx	Medical & Rx
Contract Basis	12/15	12/15
Maximum Aggregate Reimbursement	$ 1,000,000	$ 1,000,000
Individual Claim Limit	$ 65,000	$ 65,000
Aggregate Corridor	125%	125%
8. Monthly Aggregate Factor - Single	$ 371.59	371.59
9. Monthly Aggregate Factor - Family	$ 944.32	944.32
10. Minimum Annual Aggregate Attachment Point	$ 837,287	$ 837,287
11. Expected Annual Claims	**$ 669,830**	**$ 669,830**
12. Monthly Premium Rate - Composite PEPM	$8.80	$9.95
13. Estimated Annual Aggregate Premium	**$ 10,877**	**$ 12,298**
FULLY INSURED TRANSPLANT POLICY - Fairmont		
13. Monthly Premium Rates - Single	$ 5.87	$ 5.66
14. Monthly Premium Rates - Family	$ 15.32	$ 16.27
15. Estimated Annual Transplant Premium	**$ 13,491**	**$ 13,998**
ADMINISTRATIVE FEES		
14. Claims Administration (Medical) - (PEPM)	$ 15.26	$ 16.25
Teladoc - (PEPM)	$ 3.20	$ 2.90
18. Broker Fee - (PEPM)	$ 3.00	$ 3.00
19. Dental Fee - (PEPM)	$ 3.00	$ 3.00
15. COBRA & HIPAA Administration - (PEPM)	$ 1.50	$ 1.50
16. Pre-Admission Certification - (PEPM)	$ 2.00	$ 2.00
17. PPO Access Fee - (PEPM)	$ 4.95	$ 5.95
18. Bloodhound "Claims Edit" - (PEPM)	$ 0.50	$ 0.50
19. PPACA Fee	$ 1.00	$ 1.00
20. Estimated Annual Administration Cost	**$ 42,531**	**$ 44,620**
TOTAL ANNUAL COST		
21. Minimum annual cost* ($-0- claims) (7+13+15+20)	$ 260,320	$ 264,337
22. Expected annual cost* (7+11+13+15+20)	$ 930,150	$ 934,167
23. Maximum annual cost* (7+10+13+15+20)	$ 1,097,607	$ 1,101,624
ANNUAL PPACA AND OTHER TAXES		
24. CHIPRA_MS Residents PEPM (109) Note: Effective 4/1/14, Carrier pays and remits.	$ -	$ -
25. PCORI Fee $2.00 (AVG PMPY-Qtrly Count) = (243) AVERAGE Covered Lives * $2.00	$ -	$ 486.00
26. Transitional Reinsurance $5.25/$3.67 PMPM = 243 Covered Lives as of 7/11/14 = 243	$ -	$ 11,853.54

City of Gautier

Underwritten for: Fox Everett
TPA: Fox Everett
Effective Date: October 1, 2014

Fully-Insured Transplant Coverage

Commissions	0%
Single Rate (48 Lives)	$4.81
Family Rate (53 Lives)	$13.83
Estimated Annual Premium	$11,569
Lifetime Maximum	$1,000,000

Brief Description of Benefits:

- $0.00 Deductible
- Other Lifetime Maximum Options may be available upon request
- 12-month "Incurred" Benefit Period
- Coverage for heart, heart/kidney, heart/lung(s), lung(s), liver, liver/cadaveric, liver/kidney, liver/live donor, pancreas, kidney, simultaneous kidney and pancreas, pancreas after kidney, small bowel, allogeneic related, allogeneic unrelated, autologous, synogeneic, cord blood, peripheral stem cell transplants
- Case Management by Fairmont Specialty
- Fairmont Specialty Transplant Network
- Excluded: Common cornea transplants and other minor cost procedures

Please refer to the Policy for expenses incurred for treatment arising from Pre-Existing Conditions.

Note additional disclosure requirements shown on Underwriting Requirements page.

Sign:_____

Date:_____

Sign Here

Carrier: United States Fire Insurance Company
Underwriter: Sabrina Chvojicek

AMENDMENT NO. 10

TO THE
Plan Document and Summary Plan Description for
City of Gautier Employee Health Benefit Plan

Effective September 23, 2013 (HIPAA Privacy Practices)

City of Gautier believes the City of Gautier Employee Health Benefit Plan (the "Plan") is a "grandfathered health plan" under the Patient Protection and Affordable Care Act (the Affordable Care Act). As permitted by the Affordable Care Act, a grandfathered health plan can preserve certain basic health coverage that was already in effect when that law was enacted. Being a grandfathered health plan means that your Plan may not include certain consumer protections of the Affordable Care Act that apply to other plans, for example, the requirement for the provision of preventive health services without any cost sharing. However, grandfathered health plans must comply with certain other consumer protections in the Affordable Care Act, for example, the elimination of lifetime limits on benefits.

Questions regarding which protections apply and which protections do not apply to a grandfathered health plan and what might cause a plan to change from grandfathered health plan status can be directed to the plan administrator at 3330 Highway 90, Gautier, MS 39553. You may also contact the Employee Benefits Security Administration, U.S. Department of Labor at 1-866-444-3272 or www.dol.gov/ebsa/healthreform. This website has a table summarizing which protections do and do not apply to grandfathered health plans.

The Plan Document which also serves as a Summary Plan Description is hereby amended to incorporate the following changes:

1. To replace the entire section entitled **HIPAA PRIVACY PRACTICES** effective September 23, 2013, with the following:

COMPLIANCE WITH HIPAA PRIVACY AND SECURITY STANDARDS

The Plan will comply with the privacy and security requirements of the Health Insurance Portability and Accountability Act ("HIPAA"). The Plan will disclose summary health information to the Plan Sponsor if the Plan Sponsor requests the summary health information for purposes of:

(1) Obtaining premium bids from health plans to provide health insurance coverage under the Plan; or
(2) Modifying, amending, or terminating the Plan.

The Plan may disclose to the Plan Sponsor information on whether an individual is participating in the Plan, or is enrolled in or has disenrolled from coverage under the Plan.

The Plan may also disclose protected health information to the Plan Sponsor as required by law and as permitted by the HIPAA Privacy Regulations, 45 C.F.R. §§160.101 et seq. and 164.501 et seq., which includes the circumstances outlined below and subject to the following conditions and requirements. "Protected health information" has the same meaning as the term "Protected Health Information" in 45 C.F.R. §160.103, which generally includes information, including genetic information, the Plan creates or receives about an employee, spouse, or dependent covered under the Plan, including demographic information, that may identify that individual and that relates to the individual's past, present, or future physical or mental health or condition and relates to health care services or the payment for health care expenses. The Plan will make reasonable efforts to limit use or disclosure of protected health information to the minimum necessary to accomplish the intended purpose of the use, disclosure, or request.
In its role as Plan Administrator, the Plan Sponsor may receive, disclose, create, or use protected health information to administer the Plan properly. For example, the Plan Sponsor may receive protected health information from the Plan for the purpose of treatment, payment, and health care operations, as those terms are defined in 45 C.F.R. §164.501. The Plan Sponsor may use protected health information to provide, coordinate, or manage claims for payment of a Covered Person's health care and any related services. This includes coordinating or managing a Covered Person's health care with a provider that has already obtained the Covered Person's permission to have access to his or her protected health information. The Plan Sponsor may also obtain protected health information to process claims for payment of a Covered Person's health care services or to process appeals from the denial of those claims. This may include responding to inquiries from Covered Persons concerning claims and payment, investigating and resolving payment disputes, auditing the Plan or its third party administrator, obtaining reimbursement from a reinsurer, reimbursement, subrogation, billing, collection, and certain functions the

Plan Sponsor may perform before the Plan approves or pays for health care services, such as making a determination of eligibility for coverage under the Plan, reviewing services the Covered Person receives or will receive for Medical Necessity and undertaking utilization review activities. The Plan Sponsor may also use or disclose, as needed, a Covered Person's protected health information for underwriting, premium rating, and other activities relating to the creation, renewal, or replacement of a contract of health insurance or health benefits, and securing, or placing a contract of reinsurance relating to claims for health care (including stop-loss insurance and excess risk insurance). The Plan may disclose protected health information to the Plan Sponsor incident to a use or disclosure otherwise permitted or required by the privacy regulations provided the Plan has complied with the minimum necessary and safeguarding requirements of the HIPAA Privacy Regulations, pursuant to and in compliance with an authorization, pursuant to an agreement under or as otherwise permitted by 45 C.F.R. §164.510, and as permitted and in compliance with 45 C.F.R. §§164.512 and 164.514(e), (f), and (g).
The Plan will not disclose protected health information to the Plan Sponsor until the Plan has received a certification from the Plan Sponsor that the Plan documents have been amended to incorporate the following provisions and the Plan Sponsor agrees to:

Not use or further disclose the information other than as permitted or required by the Plan documents or as required by law;

(1) Ensure that any agents to whom it provides protected health information received from the Plan agree to the same restrictions and conditions that apply to the Plan Sponsor with respect to such information;
(2) Not use or disclose the information for employment-related actions and decisions or in connection with any other benefit or employee benefit plan of the Plan Sponsor;
(3) Report to the Plan any use or disclosure of the information that is inconsistent with the uses or disclosures provided for of which it becomes aware;
(4) Make protected health information available to individuals in accordance with their right to access under the HIPAA privacy regulations;
(5) Make protected health information available to an individual for amendment and incorporate any amendments to protected health information as required by the HIPAA privacy regulations;
(6) Make the information required to provide an accounting of disclosures available as required by the HIPAA privacy regulations;
(7) Makes its internal practices, books, and records relating to the use and disclosure of protected health information it receives from the Plan available to the Secretary of Health and Human Services for purposes of determining the Plan's compliance with the HIPAA privacy regulations;
(8) If feasible, return or destroy all protected health information the Plan Sponsor received from the Plan that the Plan Sponsor still maintains in any form and retain no copies of such information when no longer needed for the purpose for which the disclosure was made, except that if such return or destruction is not feasible, limit further use and disclosure to the purposes that make the return or destruction of information infeasible;
(9) Insure an adequate separation between the Plan and the Plan Sponsor as described below;
(10) Implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the electronic protected health information that it creates, receives, maintains, or transmits on behalf of the Plan;
(11) Ensure that the adequate separation required by 45 C.F.R. §164.504(f)(2)(iii) is supported by reasonable and appropriate security measures;
(12) Ensure that any agent to whom it provides electronic protected health information agrees to implement reasonable and appropriate security measures to protect the electronic protected health information; and
(13) Report to the Plan any security incident (as defined in 45 C.F.R. §164.304) of which it becomes aware.

To provide an adequate separation between the Plan the Plan Sponsor, the following restrictions will apply:

(1) The Plan Sponsor has designated certain employees who may use or disclose protected health information for the purpose of performing their administrative functions with respect to the Plan. Specifically:

The Plan Sponsor's Benefits Committee and Employees in Human Resources, Accounting, Payroll, and Information Technology may use or disclose protected health information for all purposes for which the Plan Sponsor may use or disclose Protected Health Information, subject to the same conditions and restrictions as apply to the Plan Sponsor under the HIPAA rules.

(2) The individuals described in the preceding paragraph (1) may access or use protected health information only for the Plan Administrative functions the Plan Sponsor performs with respect to the Plan and only to the extent and in the minimum amount necessary for these persons to perform their duties with respect to the Plan.

(3) Any person described in paragraph (1) who fails to comply with the privacy restrictions described in this section of the Plan may be disciplined up to and including termination of employment.

The Plan Document and Summary Plan Description are hereby amended to reflect these changes. All other terms and conditions of the Plan, as amended, which are not affected by this Amendment, are unchanged.

IN WITNESS WHEREOF, this Amendment has been executed this _____ day of _____, 2013.

BY: _____
Signature

_____
Name/Title:

_____
Diane Moore
Fox-Everett, Inc.

AMENDMENT NO. 11 and SUMMARY OF MATERIAL MODIFICATION

TO THE
Plan Document and Summary Plan Description for
City of Gautier Employee Health Benefit Plan
Date of Adoption - October 1, 2004

Effective October 1, 2014

City of Gautier believes the City of Gautier Employee Health Benefit Plan (the "Plan") is a "grandfathered health plan" under the Patient Protection and Affordable Care Act (the Affordable Care Act). As permitted by the Affordable Care Act, a grandfathered health plan can preserve certain basic health coverage that was already in effect when that law was enacted. Being a grandfathered health plan means that your Plan may not include certain consumer protections of the Affordable Care Act that apply to other plans, for example, the requirement for the provision of preventive health services without any cost sharing. However, grandfathered health plans must comply with certain other consumer protections in the Affordable Care Act, for example, the elimination of lifetime limits on benefits.

Questions regarding which protections apply and which protections do not apply to a grandfathered health plan and what might cause a plan to change from grandfathered health plan status can be directed to the Employee Benefits Security Administration, U.S. Department of Labor at 1-866-444-3272 or www.dol.gov/ebsa/healthreform. This website has a table summarizing which protections do and do not apply to grandfathered health plans.

The Plan Document which also serves as a Summary Plan Description is hereby amended to incorporate the following changes:

1. In accordance with PHSA Section 2711, the $2,000,000 annual maximum benefit per covered person is removed from the Medical Schedule of Benefits and the following is substituted: Unlimited (on covered essential health benefits) as of October 1, 2014.
2. In accordance with PHSA Section 2704, all references to pre-existing conditions and/or coverage limitations with regard to pre-existing conditions are deleted in entirety.
3. Under **Eligible Classes of Dependents, Special Enrollment Periods, Section (1) as amended October 1, 2010, and incorporated by Amendment No. 8 (as corrected),** the following exclusion is deleted in entirety as required under PHSA Section 2714:
    - any child, age 19 to 26, who has access to other Employer-sponsored group medical coverage:
    - other employer-sponsored group medical coverage includes the group medical coverage offered by the employer of the child or of the child's spouse.
4. In accordance with PHSA Section 2708, the sections entitled **Special Enrollment Periods, Effective Date of Coverage** are modified with regard to the "Waiting Period". Coverage for all enrollees will commence on the first day of the month following 60 days from the date the employee meets the definition of a full time employee.
5. After the section entitled, **When Dependent Coverage Terminates**, the following paragraphs are added:

    RESCISSION OF COVERAGE

    Coverage will be canceled prospectively for errors in coverage or if no fraud or intentional misrepresentation was made by you or your covered dependent. However, this Plan has the right to retroactively rescind coverage in the cases of fraud or intentional misrepresentation of material fact such as:

    1) knowingly providing false information on an enrollment application for coverage under the Plan for a individual who is not an eligible dependent under the terms of the Plan; or,
    2) a covered employee's failure to timely notify the Plan of a date of divorce.

    In the event that a determination is made that coverage should be retroactively rescinded, the Plan will provide a thirty (30) day advance notification.

Example Of Impact On Claims: *On June 15, 2011, the plan provides a written notice of rescission of coverage to the participant. The rescission of coverage will be retroactive to the effective date of March 1, 2011, but the rescission will not take effect until July 15, 2011—30 days after the notice is provided. This means that all claims incurred by the participant on or after March 1, 2011, including those incurred during the 30-day notice period, will be rejected by the plan, unless it is determined that the rescission was made in error.*

The Plan reserves the right to recover from you and/or your covered dependents any benefits paid as a result of the wrongful activity that is in excess of the contributions paid. In the event the Plan terminates or rescinds coverage for gross misconduct on your behalf, continuation coverage under COBRA may be denied to you and your covered dependents.

The Plan Document and Summary Plan Description are hereby amended to reflect these changes. All other terms and conditions of the Plan, as amended, which are not affected by this Amendment, are unchanged.

IN WITNESS WHEREOF, this Amendment has been executed this _____ day of _____, 2014.

BY: _____
Signature

_____
Name/Title:

_____
Diane L. Moore
Fox-Everett, A Division of HUB International

AlwaysCare
a Starmount Life Insurance company

8485 Goodwood Boulevard
Baton Rouge, LA 70806-7878
(888) 729-5433 • Fax (888) 843-5872
www.AlwaysCareBenefits.com

7/17/2014

Veneice Barnett
City of Gautier (2COGA1010)
PO Box 670
Gautier, MS 39553

Dear Veneice Barnett:

Thank you for choosing AlwaysCare Benefits, Inc. (A Starmount Life Insurance Company). We appreciate your business and look forward to serving City of Gautier (2COGA1010), its employees, and their dependents for many years. We have completed the annual review of your group policy.

Our renewal analysis is based on cost factors related to the utilization and claim activity for your group and other groups of comparable size. Based on this data, underwriting has completed your 10/1/2014 renewal.

Rates in this renewal notification are adjusted to reflect the estimated cost of the Health Insurer Assessment Fee (HIAF). Health insurers, including those who offer dental and vision insurance, are required to pay the HIAF as part of the Patient Protection and Affordable Care Act (PPACA). We reserve the right to adjust rates based on PPACA fees or assessments imposed by any governmental authority or agency.

Listed below are your current and renewal rates based on your in force plan design.

Coverage	Current Premium	Renewal Premium
Vision		
Employee only	$7.04	$7.40
Employee + spouse	$14.06	$14.76
Employee + child(ren)	$14.82	$15.56
Employee + family	$23.30	$24.48

It is our pleasure to provide competitive benefits at affordable rates with outstanding customer service. If you have any questions, please feel free to contact your account manager at 888-729-5433 ext. 5, or your agent.

Sincerely,

Account Management
CC: Fox-Everett, Inc.
CC: Rogers Benefit Group

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City of Gautier Dental Plan Effective 10/1/2014

Plan Design

		Deductible:
Type I:		Waived
Type II, III:	Individual	$50
	Family:	$150
Coinsurance:		
Type I:		100%
Type II:		80%
Type III:		50%

Maximum Benefit/Period:
- Type I, II, III — $1000/calendar Year

Type I Plan Pays 100%
- Oral Examination (Non-Emergency)
- Dental Cleaning
- X-Rays
- Fluride Treatment (under age 15)
- Sealants (under age 15)
- Space Maintainers (under age 15)

Type II Plan Pays: 80% after deductible for benefits including:
- Emergency Oral Examinations
- Repairs to Dentures, Crowns and Bridges
- Fillings
- Extractions
- Palliative Treatment
- Conultations

Type III Plan Pays: 50% after deductible for benefits including:
- Crowns
- Dentures
- Bridge Work
- Periodontics (Non Surgical)
- Scaling and Root Planing
- Periodontics (Surgical)
- Gingivectomy
- Gingival Curettage
- Endodontics
- Oral Surgery

Rates

	Per Pay Period	Monthly
Employee	$12.20	$24.40
Employee & Spouse	$24.40	$48.80
Employee & Children	$27.45	$54.90
Employee & Family	$45.41	$90.82

unum
Better benefits at work.

Renewing your Unum benefits

City of Gautier
133110
133111

Thank you for choosing Unum as your benefits provider. We are committed to providing insurance plans and services that are responsive to both your organization's – and to your employees' – unique and individual needs. This commitment has enabled Unum to become the world's leading provider of income protection and related coverages, and that leadership is benefiting you through innovative plan designs, unparalleled service offerings, and proven expertise in claimant care, return-to-work assistance and absence management.

As we near the time to renew our partnership with you, we have evaluated claim trends and activity in your industry and size segment. Based on this information and on your company's specific claims experience and history, the current rates will remain inforce, effective November 1, 2014:

Policy 133110	Inforce & Renewal	Rate Guarantee
Long Term Disability	See Attached	November 1, 2015
Short Term Disability	See Attached	November 1, 2015
Life	0.23/$1000	November 1, 2015
AD&D	0.02/$1000	November 1, 2015

Policy 133111	Inforce & Renewal	Rate Guarantee
Lifestyle Life & AD&D	See Attached	November 1, 2015

Again, we thank you for choosing Unum as your benefits provider. We look forward to strengthening our relationship and continuing to serve your company's benefit needs.

Sincerely,

Steven Lee

Steven Lee
Sales Consultant

Contact your sales representative to further discuss any renewal options or alternatives for your current Unum benefits plan.

unum.com

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MK-2869 (6-12) **FOR BROKERS AND EMPLOYERS**

Humana Insurance Company

Cancer & Specified Disease Policy Form HIC-CAN-POL-2010 -MS 02/10

PROPOSED PLAN HIGHLIGHTS

SEE OUTLINE OF COVERAGE FOR COMPLETE LIST OF BENEFITS PROVIDED

WELLNESS BENEFIT

Pays Actual Charge – Up $100 Per Calendar Year Per Covered Person

Includes tests such as mammograms, flexible sigmoidoscopy, pap smear, chest x-ray, hemocult stool specimen, and prostate screen.

FIRST DIAGNOSIS BENEFIT

Pays – $2,500 (Option I) or $5,000 (Option II) or $10,000 (Option III)] – Per Covered Person

Benefit Based on Option Selected

Pays a one-time benefit when a covered person is diagnosed for the first time as having cancer (other than skin cancer) or a specified disease. Pays this benefit only once for each covered person.

NATIONAL CANCER INSTITUTE DESIGNATED COMPREHENSIVE CANCER TREATMENT CENTER EVALUATION/CONSULTATION BENEFIT

The Company will pay the expense incurred limited to a **lifetime maximum up to $750 for evaluation** if an Insured Person is diagnosed with Internal Cancer and seeks evaluation or consultation from a National Cancer Institute designated Comprehensive Cancer Treatment Center. If the Comprehensive Cancer Treatment Center is located more than 30 miles from the Insured Person's place of residence, the Company will also pay the transportation and lodging expenses incurred limited to a **lifetime maximum up to $350 for transportation and lodging.** This benefit is not payable on the same day a Second or Third Surgical Opinion Benefit is payable and is in lieu of the Non-Local Transportation Benefits of the policy.

RADIATION, RADIOACTIVE ISOTOPES THERAPY, CHEMOTHERAPY OR IMMUNOTHERAPY

Administered by a radiologist, chemotherapist or oncologist or used to modify or destroy cancerous tissue..

Includes Hormone Therapy

Pays Actual Charge – Up to $10,000 Per Month

NO LIFETIME MAXIMUM

MISCELLANEOUS THERAPY CHARGES

Pays Actual Charge – Up To $10,000 – Per Covered Person

Pays actual charges up to a lifetime maximum of $10,000 for services performed while a person is receiving one or more of the treatments shown above. This includes lab work and its interpretations; or routine or diagnostic x-rays, scans, and interpretations.

SELF-ADMINISTERED OR ORAL CHEMOTHERAPY OR IMMUNOTHERAPY

Includes Hormone Therapy

Pays Actual Charge – Up To $4,000 Per Month

NO LIFETIME MAXIMUM

COLONY STIMULATING FACTORS

Pays Actual Charge – Up To $4,000 Per Month

Pays the cost of the chemical substances and their administration to stimulate the production of blood cells.

NO LIFETIME MAXIMUM

BREAST PROSTHESIS

Pays **Actual Charge Incurred** for a prosthesis to restore normal body contour lost due to breast cancer and the implantation of the prosthesis.

NO LIFETIME MAXIMUM

SURGERY

Pays the amount listed on the surgical schedule but not to exceed **$3,000 (Option I) or $4,500 (Options II and III).** It does not pay an amount which exceeds the actual surgeon's fees for the surgery

Benefit Based on Option Selected

BONE MARROW AND STEM CELL TRANSPLANT.

Pays Actual Charge – Up To $15,000 Per Covered Person

Pays Actual Charges per Covered Person for surgical and anesthetic charges associated with bone marrow transplant and/or peripheral stem cell transplant combined lifetime maximum of $15,000

HOSPITAL CONFINEMENT. $100 per day, up to 60 days. Benefit is two times the amount for covered children under age 21. **No Lifetime Maximum.**

EXTENDED BENEFITS. If hospital confinement is more than 60 days continuous, we will pay three times the selected hospital confinement benefit shown on the schedule page. Payment will begin on the 61st day of continuous hospital confinement. This benefit is payable in lieu of the Hospital Confinement Benefit. **No Lifetime Maximum.**

Mississippi Only 3 Option Highlights of Coverage with Payroll Deduction Monthly Premium Rates

The Policy Also Provides Specific Benefits For	
Positive Diagnosis Test	*Private Duty Nursing*
Second and Third Surgical Opinions	*Artificial Limb or Prosthesis*
Non-Local Transportation	*Physical or Speech Therapy*
Adult Companion Lodging and Transportation	*Extended Benefits*
Ambulance	*Extended Care Facility*
Blood Plasma and Platelets	*At Home Nursing*
Donor-Benefit Bone Marrow and Stem Cell Transplant	*New or Experimental Treatment*
Daily Hospital Confinement	*Hospice Care*
Anesthesia	*Government or Charity Hospital*
Ambulatory Surgical Center	*Hairpiece*
Drugs and Medicines	*Rental or Purchase of Durable Goods*
Outpatient Anti-Nausea Drugs	*Physician's Attendance*
Waiver of Premium	

Covered Diseases. Cancer; Addison's Disease; Amyotrophic Lateral Sclerosis (Lou Gehrig's Disease); Cystic Fibrosis; Diptheria; Encephalitis; Epilepsy; Hansen's Disease; Legionaire's Disease; Lupus Erythematosus; Lyme Disease; Malaria; Meningitis; Multiple Sclerosis; Muscular Dystrophy; Myasthenia Gravis; Nieman-Pick Disease; Osteomyelitis; Poliomyelitis; Rabies; Reye's Syndrome; Rheumatic Fever; Rocky Mountain Spotted Fever; Scarlet Fever; Sickle Cell Anemia; Tay-Sachs Disease; Tetanus; Toxic Epidermal Necrolysis; Tuberculosis; Tularemia; Typhoid Fever; Undulant Fever; Whipple's Disease

PLUS

All Benefits Are Payable in Addition to Any Other Insurance or Medicare	**Benefits Provided for Cancer or Specified Disease Do Not Reduce Because of Age**
Guaranteed Renewable for Life	**Portable – Take it with You If You Change Jobs or Retire**

All Benefits Are Subject to the Provisions of the Policy.
Read the Policy for Complete Descriptions of Benefits Provided and the Exceptions and Limitations.

Cancer & Specified Disease Insurance Monthly Payroll Deduction Premium Rates

Issue Age	Under 44			45 - 54			55 - 64			65 +		
	Option I	Option II	Option III	Option I	Option II	Option III	Option I	Option II	Option III	Option I	Option II	Option III
Monthly Individual	$27.72	$31.90	$37.91	$31.23	$35.93	$42.70	$60.67	$70.69	$85.13	$75.25	$88.85	$108.47
Monthly Single Parent	$37.73	$42.92	$50.44	$41.24	$46.97	$55.26	$70.87	$81.94	$97.92	$83.73	$98.37	$119.54
Monthly Family	$57.46	$65.88	$77.95	$64.03	$73.44	$86.93	$122.66	$142.85	$171.73	$154.48	$182.85	$223.40

Optional Intensive Care Unit Rider Available for Additional Monthly Payroll Deduction Premium

Issue Age	0 - 44			45 - 54			55 - 64			65 +		
	Daily Benefit Amount			Daily Benefit Amount			Daily Benefit Amount			Daily Benefit Amount		
	$325.00	$625.00	$825.00	$325.00	$625.00	$825.00	$325.00	$625.00	$825.00	$325.00	$625.00	$825.00
Individual	$2.49	$4.79	$6.33	$2.81	$5.40	$7.13	$3.42	$6.58	$8.68	$3.54	$6.81	$8.99
Single Parent	$4.01	$7.71	$10.18	$4.33	$8.32	$10.99	$4.97	$9.56	$12.61	$5.09	$9.79	$12.92
Family	$5.64	$10.84	$14.31	$6.24	$12.00	$15.84	$7.10	$13.66	$18.03	$6.40	$12.30	$16.24

This is a brief description of the coverage available. The Policy will contain limitations, exclusions and termination provisions. Humana Insurance Company has its principal place of business in Green Bay, Wisconsin.

These Are Highlights of the Coverage Proposed and To Be Used Only With Outline of Coverage