

partnership PLAN



Fully Insured Group Health Insurance

- Provides employers flexibility with out-of-pocket health insurance expenses through shared risk
- Recommended for employers with 15 or more employees



Quality Health Insurance That Rewards You for Good Health



partnership PLAN

Central Reserve Life has over 35 years experience providing quality, affordable health insurance for employers and their employees. We believe that quality health insurance begins with the fundamentals. At CRL we listen carefully to your concerns. Then we provide you with the solid, reliable coverage you've told us your employees need.

At CRL you have a variety of choices. We recognize that each customer is different. As an employer, CRL provides a significant choice of plans and benefit options. You can use these options to customize the benefit package that best meets your needs and those of your employees, while staying within your budget.

Last year, do you think you paid more in premium than your insurance company paid out in claims? If yes, did you receive a refund? You can with CRL's Partnership Plan.

One of the biggest problems entrepreneurs face today is providing high quality healthcare for their employees at a reasonable cost. As healthcare costs continue to rise, employers must either absorb the additional cost or hold the line on expenses by reducing the plan benefits.

CRL has the solution. A cost-effective alternative combining the best features of both traditional and self-funded health care plans; **we become your healthcare partner.**



CRL's Partnership Plan allows employers to maximize their healthcare dollars. As a fully insured plan, Partnership provides financial guarantees and all of the convenience and cost saving features of CRL's managed care networks. Because the employer shares the cost of many of the "low-risk" claims, premiums are lower.

How does the plan work?

The Partnership Plan is a fully insured plan with all the benefits of a PPO (Preferred Provider Organization). It provides employers and employees flexibility with their healthcare options.

First, the employer decides the level of risk to assume per employee, which establishes maximum liability for the family and employer group. The selected limit protects you from the exposure of claims above those established limits. Claims that exceed the selected level of risk for each category or the maximum claims liability are the sole financial responsibility of CRL. Claims less than the selected levels of risk for each category are the employer's responsibility.

The employer funds its level of responsibility by making deposits into a claims reserve account established and administered by CRL. CRL utilizes the accumulated deposits to pay the employer's share of each claim.

During the next policy year, after allowing for claims incurred during the previous year, if the accumulated deposits are greater than actual claims, you, the employer, get a REFUND! If claims exceed the accumulated deposits, no refund is paid, but you, the employer, have no further liability.



Your only risk with CRL's Partnership Plan is not getting money back at the end of the policy year.



Out of Pocket Maximum

Your company's total out-of-pocket expenditures per year are determined by CRL **before** the plan takes effect and are based upon the liability levels selected by the employer. Any claims above that amount are paid 100% by CRL at no additional expense to the employer. The only risk you bear with CRL's Partnership Plan is not getting money back at the end of the policy year.



Funding

The claims reserve account, established to fund the employer's maximum claims liability, can be funded in two different ways.

Under the **Monthly Cap Option**, recommended by CRL, the employer, each month, contributes 1/12 of the annual claims liability. CRL provides this option for those employers who recognize the importance of budgeting and financial controls. This is the option that gives you an opportunity for a refund.

The **Minimum Funding Option** requires the employer to contribute the greater of 30% of the maximum claims liability or \$5,000 within 90 days of the plan's effective date. You, the employer, are required to replenish the account, up to the maximum claims liability, whenever the balance falls below the minimum level.

Under both options, each month you receive a comprehensive statement detailing claims paid from the account.

Employer groups with better than average health history and claims experience have the potential for even greater savings. Under traditional healthcare plans, once the premiums are paid, the money is gone. However, the Partnership Plan allows you the opportunity to receive MONEY BACK when your workforce stays healthy, resulting in fewer claims. During the following year, any remaining balance in the claims reserve account can be refunded to you or, at your option, used to reduce future premiums or purchase additional insurance.



HOW DOES the Partnership Plan work?

Once an employer selects its level of risk, the administrative fees and maximum claims liability costs are calculated and a claims reserve account established. Claims are deducted from the claims reserve account up to the maximum claims liability determined by the employer's selected level of risk.

The Company

- Administers Plan
- Collects premiums
- Administers all claims
- Pays all claims over the employer's selected level of risk
- Provides monthly statements

Employer

- Greater control over employee health plan
- Lower premiums
- Out of pocket maximum
- Potential refund

Employee

- Quality healthcare coverage
- Benefits of a PPO

Example for a 109 Life Group

Total Plan Outlay (\$49,274 monthly)	\$591,288
Premium and Administrative Costs (\$22,306 monthly)	<u>(\$267,672)</u>
Claims Reserve Account Annual Balance (\$26,968 monthly)	\$323,616
Less Employees' Covered Claims Paid	<u>(\$264,258)</u>
REFUND TO EMPLOYER	<u>\$59,358</u>

Bottom Line: Money back to you.

Month	Administrative Fixed Costs	Claims Reserve Account Deposits	Accumulated Deposits (A)	Claims Paid (B)	Accumulated Claims Paid (C)	Account Balance (A minus C)
Jan	\$22,306	\$26,968	\$26,968	\$19,324	\$19,324	\$7,644
Feb	22,306	26,968	53,936	23,992	43,316	10,620
Mar	22,306	26,968	80,904	16,643	59,959	20,945
Apr	22,306	26,968	107,872	35,197	95,156	12,716
May	22,306	26,968	134,840	18,412	113,568	21,272
Jun	22,306	26,968	161,808	17,834	131,402	30,406
Jul	22,306	26,968	188,776	19,085	150,487	38,289
Aug	22,306	26,968	215,744	25,762	176,249	39,495
Sep	22,306	26,968	242,712	18,276	194,525	48,187
Oct	22,306	26,968	269,680	28,572	223,097	46,583
Nov	22,306	26,968	296,648	19,987	243,084	53,564
Dec	22,306	26,968	323,616	21,174	264,258	59,358

Partnership Plan Protects You in 3 Ways

Annual Maximum-Out-Of-Pocket to Company...

1. Per Person Maximum
2. Per Family Maximum (2 per family)
3. Company Maximum

PARTNERSHIP Plan Highlights

Employer Policy Year Deductible \$5,000, \$7,500, \$10,000, \$15,000, \$20,000, \$25,000

Employee Plan

Employee Calendar Year Deductible Options	\$150, \$250, \$500, \$1,000, \$1,500, \$2,500. An additional \$75 deductible applies to all covered charges for each emergency room visit due to a sickness, if the insured is not immediately admitted as an inpatient.
Doctor's Office Visits Options	\$15 copay for in-network doctor's office visits. Additional copays apply for in-office x-rays (\$10), laboratory tests (\$5), and injections (\$5), which are provided by the same doctor on the same day as the office visit. Out-of-network doctor's office visits are subject to the deductible and coinsurance.
Coinsurance Percentages Options	PPO Plan A pays 90% in-network, 70% out-of-network PPO Plan B pays 80% in-network, 60% out-of-network PPO Plan C pays 60% in-network, 50% out-of-network PPO Plan D pays 90% in-network, 80% out-of-network
Employee Coinsurance Limit Options	Covered charges are paid up to a coinsurance limit of \$5,000 or \$10,000.
Pregnancy	Paid the same as any illness.
Preventive Medical Benefit	Wellness benefits up to \$300 from birth to age 1, and up to \$150 per year for ages 1 and up.
Life Insurance Benefits and Accidental Death & Dismemberment, Term Life	Employee Term Life Insurance \$15,000, AD&D \$15,000, Common Carrier \$15,000, Orphan's Benefit \$10,000, Dependent Life Insurance is \$2,000 for a spouse, \$1,000 for a child 6 months and over and \$500 for a child under 6 months. Group Term Life, AD&D, Common Carrier, and Orphan's Benefits are as follows: Under 65 (100%), 65-69 (65%), 70-74 (45%), 75-79 (30%), 80 and over (20%).
Centers of Excellence Benefit	\$500,000 lifetime maximum coverage for certain organ/tissue transplants that are not experimental or investigational.
Lifetime Maximum Benefit	\$2,000,000
Managed Indemnity Drug Card and Mail-in Prescription Program	See page 6 for details.

Optional Benefits

Accident Expense Options	Each accident is paid up to \$300 or \$500, with no deductible, for covered charges incurred within 90 days after the accident.
Vision Service Plan (VSP)	Plan provides one eye exam, spectacle lenses and frames every 24 months per insured person. Copay \$10 for the eye exam and \$15 for lenses and/or frames.
Supplemental Life Insurance and AD&D	Additional amounts can be purchased in \$5,000 increments.
Prescription Drug Card and Mail-In Program	See page 7 for details.
Self-Funded Prescription Card	See page 7 for details.
Short-Term Disability	Choice of weekly amounts of \$100, \$200, \$300, \$400, \$500, \$600. Benefits paid for 13 weeks or 26 weeks.
Dental Care Plan	See insert for complete details.
Centers of Excellence and Lifetime Maximum Benefit Upgrade	Centers of Excellence Benefit upgrades to \$1,000,000, and the Lifetime Maximum Benefit to \$5,000,000.



PARTNERSHIP Plan Includes



CRL's Special Support Services

- Initial 12-Month Rate
- 4th Quarter Deductible Credit
- Prior Coverage Deductible Carry-Over Credit
- Aggregate Family Deductible
- Selected Individual Case Management
- Customer Service Representatives are Available for Fast Phone Answers
- Travel PPO Program

Inpatient Hospital and Facility Expenses

- Hospital Services
Pre-admission testing, semi-private room, intensive care, anesthesia, operating room, drugs, medical supplies and diagnostic, nursing and therapy services.

Surgical Provider Services

- Surgeon's services
- Assistant surgeon's services
- Anesthesia

Outpatient Hospital/Ambulatory Care

- Facility services
- Emergency Room services

Outpatient Therapy Services

- Radiation, chemotherapy, renal dialysis services

Radiology/Pathology Services

- X-rays and other radiology services
- Lab and pathology services
- Diagnostic services

Other Benefits

- Blood, plasma and derivatives
- Cataract contact lens, immediately following surgery
- Casts, splints, trusses, braces and crutches
- Dialysis equipment
- Oxygen
- Ambulance services
- Pregnancy...Expenses due to pregnancy will be paid the same as an illness

Note: see Certificate Booklet for complete benefit details.

UNIQUE Health & Wellness Benefits

Preventive Medical Benefit (not subject to deductible or coinsurance)

One of the best ways to prevent and/or reduce serious illness is to have regular checkups to catch symptoms before they develop. To encourage such a wellness program, CRL provides the following benefits:

Birth to Age 1 (child wellness)

CRL will pay up to a maximum of \$300 per child for:

- Immunizations
- Development Assessment
- Laboratory Tests
- Pediatric Physical Exams



Ages 1 and Up

CRL will pay up to a maximum of \$150 per person per benefit year for:

- Routine Physical Exams
- Preventive Immunizations
- Colon/Prostrate Screening
- Hepatitis B Test
- Fecal-Occult Blood Test
- Breast Exams
- Mammograms (age 35 and older - 1 per year)
- Pap Smears

Managed Indemnity Drug Card & Mail-In Prescription Program

This benefit has a customized, national network of preferred pharmacies offering a high level of service. Each of the participating pharmacies has agreed to charge you preferred prices, assuring the best price possible in that store, on that day, for your prescriptions. Just present the Managed Indemnity Drug Card when purchasing prescriptions and you will receive the preferred price at the time of purchase.

You may use the Mail-In Prescription Program if you take maintenance medications. A maintenance medication is one that is taken regularly to treat a chronic or recurring health condition, such as high blood pressure, ulcers, or diabetes.

The Mail-In Prescription Pharmacy offers you a preferred price on maintenance prescription medications for up to a 90-day supply. You may obtain price quotes by calling the Managed Mail Service customer service line which operates 24 hours a day, seven days a week.

When you use participating pharmacies, they will electronically file your claim. The prescription cost will be applied toward your deductible and the maximum annual out-of-pocket amount. When your deductible and out-of-pocket maximum have been met, CRL will pay 100% of the prescription costs to the end of the calendar year.

Note: Certain prescription drugs, such as those related to the treatment of mental illness and alcoholism, are covered subject to plan limitations. (See page 8 for coverage on drugs related to treatment of mental illness and alcoholism.)

See page 7 for the optional Drug Card benefit.



Optional Benefits

CRL's Centers of Excellence (COE) Program for Organ/Tissue Transplant

This plan provides coverage for certain organ/tissue transplants that are not Experimental or Investigational. COE is a special network of doctors and medical facilities located throughout the United States that specializes in providing certain organ/tissue transplant services and procedures.

If an insured Person requiring an organ/tissue transplant is accepted in COE, Covered Charges will be paid subject to the deductible and coinsurance up to a maximum lifetime benefit of \$500,000 or up to \$1 million if the Maximum Benefit Upgrade is selected, which is included in the Policy's Lifetime Maximum.

Included under COE is up to \$10,000 for reasonable travel and living expenses incurred by (1) the Insured Person and one companion; or (2) if the Insured Person is a dependent Child, two parents; and (3) a live donor, if applicable.

If the Insured Person does not elect to participate in COE or if not approved to participate in COE by the COE Coordinator or Provider, benefits are reduced. Please refer to the sample certificate booklet for a complete explanation of the organ/transplant coverage.

Accident Expense: \$300 or \$500

No need for out-of-pocket payments for emergency room visits, or other accidents. Each accident is paid up to \$300 or \$500, with no deductible, for covered charges incurred within 90 days after the accident. Dental expenses are not covered under this Accident Expense Benefit. Coverage for accidental injury to the teeth is provided under major medical. Note: The employer's claims reserve account is not used to pay these claims.

Supplemental Life Insurance and Accidental Death & Dismemberment (AD&D) Benefit

You may wish to supplement the basic \$15,000 Term Life and \$15,000 AD&D insurance described on page 4. Additional amounts can be purchased in \$5,000 increments.

Prescription Drug Card & Mail-In Prescription Program

RETAIL:

Generic: 100% of covered charges in excess of \$15 copay.
Formulary Brand: 80% of covered charges in excess of \$25 copay.
Non-Formulary Brand: 70% of covered charges in excess of \$35 copay.

MAIL ORDER 60-DAY SUPPLY:

Generic: 100% of covered charges in excess of \$30 copay.
Formulary Brand: 80% of covered charges in excess of \$50 copay.
Non-Formulary Brand: 70% of covered charges in excess of \$70 copay.

MENTAL NERVOUS DRUGS:

50% of covered charges up to a maximum of \$550 per calendar year.

Self-Funded Prescription Card

Allows employer to design a prescription plan for his/her group. No premium is collected. Paid from an employer's fund which does not accumulate against individual, family or company aggregate. The self-funded prescription card requires an additional initial funding of \$25.00 per employee and additional funding throughout year if fund balance is insufficient in the claims reserve account.

Employer can customize plan for different co-pays i.e.; higher payments for mental/nervous drugs, pay for certain non-covered drugs, set maximums per person, etc.

Vision Service Plan (VSP)

Vision Service Plan (VSP) offers coverage for regular eye examinations and benefits toward vision care expenses, including glasses or contact lenses, through an extensive nationwide network of doctors.

The plan provides for one eye examination, spectacle lenses and frames every 24 months per insured person. You pay a copayment of \$10 for the eye examination and \$15 for lenses and/or frames.

For more information, please refer to the Vision Service Plan brochure.

Please Note: Optional benefits may be added or deleted at the written request of the employer only on the group's anniversary date of coverage. Any change in benefits will be subject to underwriting approved by CRL's Home Office.

Optional Benefits (continued)

Short-Term Disability

Provides a weekly benefit when an employee cannot work because of disability. Choice of weekly income amounts: \$100, \$200, \$300, \$400, \$500 or \$600

Choice of Waiting Periods:

Day Benefits Commence for Accident	Day Benefits Commence for Sickness	Maximum No. of Weeks Per Disability
1	8	13
1	8	26

This benefit is available up to a maximum of \$600 per week, not to exceed 70% of all average earnings, including benefits from any other group-sponsored plan.

The Short-Term Disability Benefit terminates at age 65 or retirement, whichever comes first.

COE Maximum Benefit Upgrade

The Centers of Excellence Benefit may be upgraded to \$1,000,000, which includes a Lifetime Maximum Benefit of \$5,000,000.



Please Note: Certain disabilities are not covered under this benefit — please see the certificate booklet for details. Not all industries are eligible for this coverage — please check with your agent.

BENEFITS for Specialized Situations

Mental Illness and Alcoholism

(inpatient and outpatient)

If hospitalized, we will pay 50% of covered charges up to a maximum benefit of \$2,000 per calendar year for inpatient expenses. We allow \$20 per office visit to the doctor's office and pay 50% of that, which means that we pay \$10 a visit up to a maximum of \$550 for a calendar year. Treatment for drug abuse is not covered. All benefits subject to the deductible.

Treatment for Spinal Subluxation

Plans pay up to \$15 a day for manipulation of spinal subluxation and associated treatment or services with a \$300 maximum benefit per calendar year, or a \$600 maximum benefit per family per calendar year. In addition, x-ray charges are payable up to a \$75 maximum benefit per individual per calendar year or a \$150 maximum benefit per family per calendar year. All benefits are subject to the deductible and coinsurance.

Sterilization

Benefits are provided up to a lifetime maximum benefit of \$1,000 for sterilization. All benefits are subject to the deductible and coinsurance.

Allergy Testing

Benefits are provided up to a maximum benefit of \$500 per calendar year per individual and \$1,000 for the employee and dependents combined, for allergy testing and allergy injections, including, but not limited to, injectable antigens and extracts. All benefits are subject to the deductible and coinsurance.

Growth Disorder

Benefits are provided up to a lifetime maximum benefit of \$25,000 for the treatment of growth disorder or abnormally short stature, including, but not limited to, growth hormone deficiency therapy (GHDT). All benefits are subject to the deductible and coinsurance.



BENEFITS for Specialized Situations

(continued)

24-Hour Coverage for the Self-Employed

Benefits will be paid for covered charges resulting from an on-the-job injury or illness of an insured person who is (1) self-employed, and (2) exempt under any applicable state or federal workers' compensation statutes or other similar laws.

This coverage is not being sold as workers' compensation coverage nor is it intended to be a substitute for workers' compensation coverage. A complete explanation of coverage relating to on-the-job injuries or illness is provided in the certificate booklet.

Family Security Benefit

(to help the family when an insured employee dies)
Medical insurance will continue for covered dependents without premium payment for up to a maximum of six months. Coverage will terminate before the six-month maximum (1) for a spouse, if he/she remarries or becomes eligible for Medicare or other group insurance; (2) for a dependent child, if he/she reaches the age of 19 (age 23 if unmarried, and a full-time student attending an accredited college or university and wholly dependent on family for financial support); or (3) if the policy terminates.

Surgery of the Foot

We will pay for surgery of the foot according to the Foot Surgery Schedule located in the certificate booklet. All benefits are subject to the deductible and coinsurance.

Occupational, Speech and Physical Therapy

We will pay up to \$50 of allowable expenses per visit, with a maximum of 25 visits each calendar year, for occupational, speech and physical therapy, and for related diagnostic testing. These services must be performed by licensed occupational, speech and physical therapists under the supervision of a doctor. All benefits are subject to the deductible and coinsurance.

Hospice Benefit

(inpatient and outpatient)

We help pay for hospice care and services that are provided by a hospice care program or other hospice care provider approved by us. If inpatient hospice care is received, we pay up to \$200 a day for room and board up to a lifetime maximum of \$10,000. \$100 a day for outpatient hospice care is allowed up to a lifetime maximum of \$3,500. All benefits are subject to the deductible and coinsurance.

Cosmetic Surgery/Treatment

We will pay for cosmetic surgery/treatment if required to restore a part of the body which has been altered as a result of accidental bodily injury, surgery or disease that occurred or was first diagnosed while insured with us and for which benefits are payable. All benefits are subject to the deductible and coinsurance.

Accidental Injury to Teeth

We will pay for repair of injury to sound natural teeth (including their replacement), as a result of an accidental bodily injury that occurs while the person is insured. Treatment must be given within ninety (90) days of the date of the accident. All benefits are subject to the deductible and coinsurance.



PERSONAL HEALTHCARE Management Services

Dedicated Service Representatives for Fast Answers

When you call Central Reserve Life, you'll be speaking with a Customer Service Representative who understands your needs and who can access your file promptly to provide you with the answers you need.

24-7 Medical and Benefit Support

Call 1-877-575-4207 ANY TIME, ANY DAY for instant access to your medical plan.

- Assistance in finding the physician, specialty or medical provider you need
- Locate preferred providers near you
- Receive advice on maximizing your benefits
- Initiate inpatient pre-certification
- Receive general medical information. Should you need information for a specific medical condition, a medical professional will provide useful information.



Enhanced PPO Referral Service

Whether you are home or travelling, one convenient number (877-575-4207) connects you with customer service representatives who work closely with you to locate and direct you to a PPO provider.

Using a PPO provider is your best way to keep more money in your pocket:

- Lower co-payment for you
- Protection from charges above reasonable and customary amounts
- Gives you the comfort of knowing that your PPO benefits travel with you while you are traveling outside your state of residence
- When you obtain medical services from a Travel PPO provider, covered charges will be paid in accordance with in-network benefits as outlined in your Central Reserve Life PPO plan

Non-Network Negotiation Service

If there is no provider within our network who performs the service you require, we will help you locate a non-network provider and attempt to negotiate the cost with this provider to help save you money. Our purpose is to eliminate or reduce any balance billing you will receive from these providers. We will be your advocate with these medical providers!

Case Management – Special Care for Special Cases

A Registered Nurse Case Manager is available to work with the patient and doctor to facilitate quality cost-effective care. This service applies to catastrophic illnesses and injuries as well as other medical conditions to monitor and coordinate care, from hospitalization through rehabilitation.

“Building Blocks” High Risk Pregnancy Program

Our Registered Nurse Maternity Specialists help identify pregnancy risks, answer questions and provide valuable information and support. If you are a high risk mother, we offer a personal case manager to work with you and your doctor.

Cancer Case Management Program

Our Registered Nurse Oncology Case Managers answer questions, provide educational information and discuss treatment options with you. In addition, the Case Manager maintains contact with you and your physicians to assist in coordinating your care and maximizing your medical benefits.

Disease Management Early Identification Program

We know that if you manage certain conditions when they are first identified, you can lead a more productive life. Our Registered Nurse Case Managers provide support to you and your doctor to help manage these conditions and lower your future medical costs.

IMPORTANT Information

Pre-certification Requirement

Certification is required for all emergency and non-emergency hospitalizations. One of the primary reasons for certification is to determine if less costly alternatives are available with the same or greater safety and quality of service. The certification program is administered by an independent organization.

A precertification penalty of \$500 or 20% of Covered Charges, whichever is greater, up to \$1,000 for each treatment, will apply where precertification is required but not obtained.

The precertification penalty will be applied before the deductible and coinsurance and will not be applied toward the out-of-pocket maximum limit.

Obtaining precertification does not assure that benefits will be paid for

the hospitalization. CRL will make the final determination whether benefits are payable based on the terms of the Policy, following submission of the claim.

This Plan Contains Certain Limitations and Exclusions, Among Which are the Following:

No benefits will be paid for:

- Charges not medically necessary
- Cosmetic care, treatment or surgery
- Recreational or educational therapy or vocational rehabilitation

General Exclusions:

No benefits will be paid for charges:

- For transportation, except local transportation to or from a Hospital by a professional ground or air ambulance service.

- For fertility or infertility.
- For replacement of artificial limbs and artificial eyes.
- For blood or blood plasma which has been replaced.
- For donation of any body organ by an insured person.
- For services performed by a person who ordinarily resides in the insured person's home or is a close relative of the insured person or by the insured person's employer or partner.
- For custodial care.
- Applied to a deductible or coinsurance.
- For services or Treatment not prescribed by a Doctor or for services or Treatment not shown as covered.
- For expenses incurred after the insurance terminates, except as may be provided under an Extended Benefits provision.
- For Treatment or services experimental or investigational in nature.
- For services in a nursing or convalescent home or Extended Care Facility.
- For any Illness that is subject to and paid or payable under any state or federal workers' compensation law or other similar statute or occupational disease law.
- For eye refractions, eye glasses, or contact lens, including fittings and examinations, or eye surgery, when the primary purpose is to correct myopia (nearsightedness), hyperopia (farsightedness) or astigmatism (blurring), including, but not limited to radial keratotomy.



- For Treatment, services or supplies furnished by a department or agency of the United States Government.
- For services and supplies eligible for payment by a governmental or charitable program, except as required by law.
- For hearing aids, including fittings and examinations.
- Which are not Necessary to the care or Treatment of an Illness.
- Which would not have been made if no insurance existed.
- For recreational or educational therapy or vocational rehabilitation.
- For which the Insured Person is not legally obliged to pay.
- For Treatment or services which are not generally accepted medical practices in the United States for a given Illness.
- For Treatment of obesity, morbid obesity or for weight reduction purposes.
- For breast reconstruction, unless the surgery is due to a medically necessary mastectomy or is required to produce a symmetrical appearance of the other breast following a medically necessary mastectomy.
- For Illness that results from participation in any assault, strike, civil disorder or riot.
- For the Treatment of sexual dysfunction or inadequacies regardless of the reason.
- For routine physical or premarital examination.
- Due to a preexisting Illness. (See page 14)
- For a private room in excess of the average semi-private Room and Board rate.
- In excess of reasonable and customary charges.
- For services or supplies prohibited by law.
- For sex changes.
- For reversal of sterilization.
- For Treatment of controlled or prohibited substance abuse, including any conditions caused by, or related in any manner to, such abuse.
- Resulting from any suicide, attempted suicide or intentionally self-inflicted Injury or Sickness while sane or insane.
- For examination, Treatment or Surgery of the teeth, gums or direct supporting structure except for repair of Injury to sound natural teeth, (including their replacement) as a result of an accidental bodily Injury which occurs while the person is insured. Treatment must be given within ninety (90) days of the date of the accident.
- For an Illness caused by any act of war, whether or not declared.
- For Surrogate Pregnancy.
- For Surgery of the jaw or for any Treatment of temporomandibular joint (TMJ) disorder. Treatment of jaw fractures and removal of tumors of the jaw will not be subject to this exclusion.
- For surgical repair of the eyelids.
- For the Treatment of complications arising from or connected in any way with a surgical or medical Treatment or procedure that is not a covered surgical or medical Treatment or procedure under the terms of the Policy.
- For Illness that results either directly or indirectly from the insured person's participation in a hazardous activity.
- For Illness resulting either directly or indirectly from the insured person's intoxication or being under the influence of alcohol, drugs, controlled substances, or any other substance capable of mental or physical impairment, unless it has been administered or prescribed on the advice of a Doctor.
- For Illness that results either directly or indirectly from the insured person's committing or attempting to commit or participation in a felony.
- For Outpatient prescription drugs.

Please Note:

- This sales brochure is not an insurance certificate booklet. Not all policy provisions, exclusions and limitations are listed.
- The certificate booklet, which is issued upon approval of coverage, will contain a summary of the coverage, including a complete list of covered charges, exclusions and limitations.
- You may review a sample copy of the certificate booklet — just ask your agent.
- The laws of your state may mandate that the coverage described in this brochure be changed. Please refer to the insert accompanying this brochure for a description of those changes, if applicable.
- No agent has the authority to change any benefits, to bind coverage with Central Reserve Life, or to promise a certain effective date.

IMPORTANT Information (continued)

Underwriting

Small employers (2-50 employees) are guaranteed issue for CRL's group health plans and underwritten to determine rates only. Large employers (51 or more employees) are not guaranteed issue and will be subject to medical underwriting. However, the entire group will either be accepted or declined.

Employees hired after the initial effective date (subsequent hires) are guaranteed issue.

Application Process

Upon receipt of the application at CRL, the employee will receive a verification telephone call, which is a routine process, to make sure the application is completed correctly. The application will then be reviewed by CRL's underwriters at its Home Office. No insurance for the employee or dependents will become effective unless and until written notice of approval from CRL's Home Office, which will specify the effective date of coverage, is received by the employer. Should Central Reserve Life reject the application, its only obligation will be the return of premium money. 75% participation is required of all eligible employees. Authorized waivers (non-participating employee waivers) do not count toward participation. CRL reserves the right to terminate the employer's coverage should fewer than 75% of the total eligible employees be enrolled in the plan. CRL reserves the right to rescind, cancel or terminate coverage for any individual who is found to have fraudulently misrepresented

any answer or information during verification or on an enrollment application or Health History Questionnaire.

Eligible Employees

Only full-time, permanent employees working at least 30 hours a week and earning a wage are eligible for coverage. Partners and proprietors are eligible provided they work in the participating employer's business on a full-time basis and are earning a wage. Temporary employees, non-actively employed corporate directors and officers, and any class of employee not expressly approved by the employer and CRL are ineligible.

Employer Contributions

The employer must pay at least 25% of the cost of the insurance for all employees. The employee may not pay the entire cost. Employees may share or pay the entire cost of the insurance for dependents.

To Enroll for Coverage

The following must be completed in full and given to the agent for submission to CRL's Home Office:

1. Participation Request and Agreement form (PRQ-GPT2). (Agent: Please submit a copy of the quote with each group application sent to CRL's Home Office.)
2. Group Insurance Enrollment Application, which must be completed in full by each eligible employee.
3. If credit for prior coverage is being requested, copies of any

Certificates of Creditable Coverage for each employee and dependent are required.

If any applicant has prior coverage but does not have a Certificate of Creditable Coverage, CRL may be able to assist the individual in obtaining this information.

4. A reconciled wage and tax statement or comparable proof reflecting all employees' names, employment status, hours worked and compensation.
5. Administrative Services Agreement (AEF-W015, AEF-W016 or AEF-W017)
6. Asset Management Agreement (AEF-W014), if applicable.
7. Employer's check for the first month's premium, made payable to Central Reserve Life.
8. Employer's check for initial deposit into the claims paying account, made payable to Western Reserve Administrative Services.
9. Current carrier's most recent billing statement.
10. Schedule of benefits from current carrier for employer groups in the following states: Michigan, Missouri, Nevada (25+ groups only) and South Carolina.

Disclosure

There may be some variation in the Disclosure, depending on state law. Please refer to your state-specific insert and/or simple certificate booklet for detailed information.

A. Premium rates:

Among the factors that may affect changes in premium

rates are: medical and provider costs, advances in technology, medical inflation, price inflation, deductible leveraging, changes in utilization, cost shifting, underwriting and changes in case characteristics. According to the contract issued to the trust, Central Reserve Life Insurance Company has the right to change (increase, decrease or modify) premium rates with thirty (30) days advance written notice to the employer. Rates are generally maintained for an initial 12-month period and are periodically reviewed thereafter.

B. Renewability:

CRL will renew or continue in force coverage at the option of the employer, except as follows:

- (1) nonpayment of premiums;
- (2) fraud;
- (3) violation of participation (including eligibility) or contribution rules;
- (4) termination of coverage; if CRL ceases to offer coverage in accordance

with the policy provision entitled "Changes, Discontinuance or Termination of Coverage"; or

- (5) movement outside of service area.

C. Preexisting Illness:

Preexisting Illness is a condition (whether physical or mental), regardless of the cause of the condition, for which medical advice, diagnosis, care, or treatment was recommended or received within the six (6) month period ending on the enrollment date. Pregnancy, or any condition relating to pregnancy, shall not be considered a preexisting Illness. Genetic information shall not be considered a preexisting Illness in the absence of a diagnosis of the condition related to such information. Benefits will be paid for such covered charges incurred after the end of a period of twelve (12) consecutive months (or eighteen (18) months in the case of a late enrollee), which

period begins on the insured person's enrollment date. For the purposes of this definition, the enrollment date is an individual's effective date, or if earlier, the first day of the waiting period, if applicable.

In determining whether the Preexisting Illness provision applies to an insured employee, dependent, or late enrollee, credit will be given for the time the person was covered under Creditable Coverage, provided CRL has received, in its Home Office, a Certificate of Creditable Coverage, (CRL utilizes the Standard Method of crediting coverage, as defined by federal law.)

The Preexisting Illness exclusion generally does not apply to newborns or adopted children.

D. Plans and rates available:

Information about the benefits and premiums available under all health insurance coverage for which the employer is qualified is available from your agent.



Our Quality Commitment



At Central Reserve Life, we are committed to quality service and quality health insurance products at affordable prices. Our mission is to fully serve the needs of all those associated with our company.



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