Blueprint

A self-funded health program
for small employer groups

Blueprint provides a program to establish and maintain a self-funded health plan coordinated with stop-loss insurance protection for employers with 10 or more employees. Administrative services are provided through EBSO, LLC., and the stop-loss insurance is underwritten by Standard Security Life Insurance Company of New York, a member of The IHC Group. The IHC Group has been providing life, health and stop-loss insurance solutions for more than 30 years. EBSO is not a member of The IHC Group.

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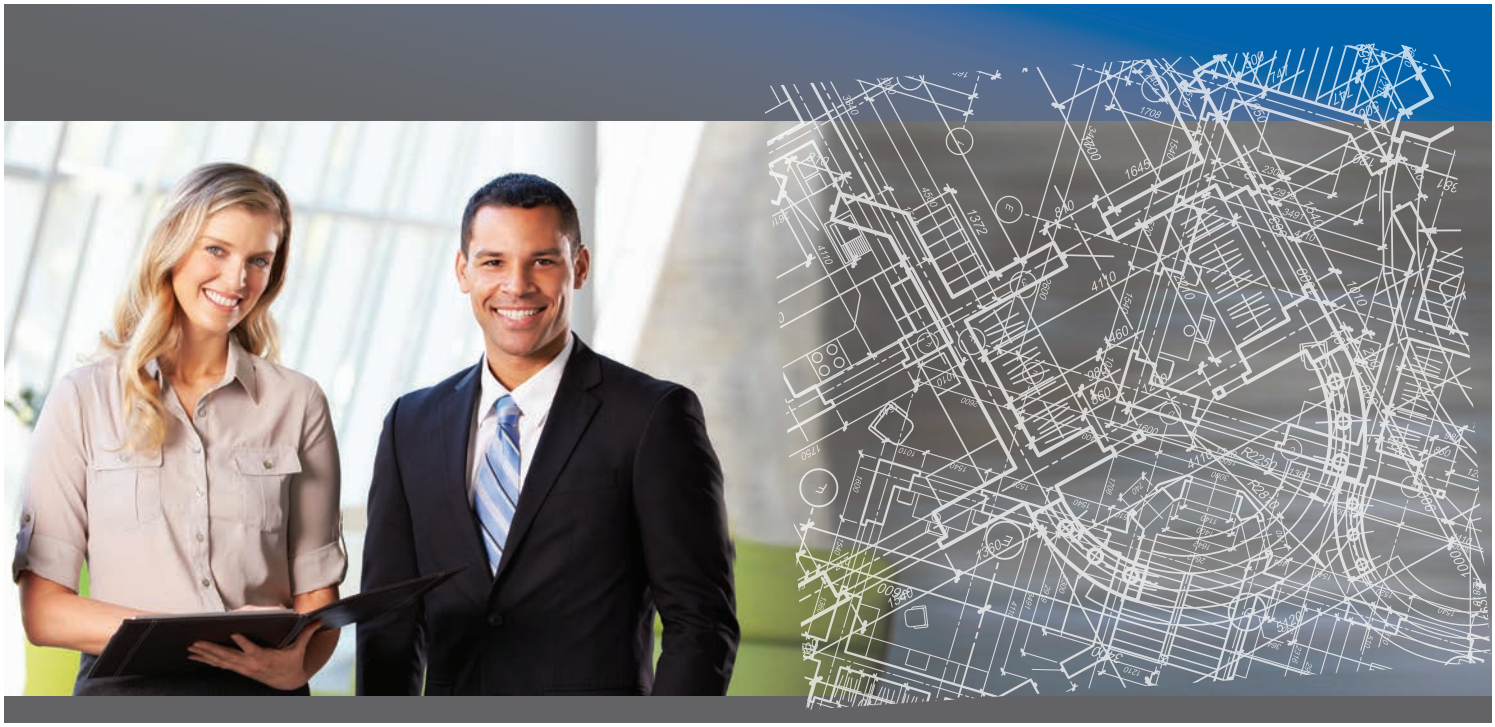

A blueprint is a guide to building a structure with the greatest possible efficiencies—using innovative tools and resources to get the best results, while conserving money and time.

The Blueprint program provides an alternative funding structure for small businesses with 10-50 employees.

Historically many small employers have chosen fully insured plans when providing health benefits to employees. Outside of shifting costs to employees, traditional plans provide limited opportunities to control premium. Blueprint brings you a program to cover your employees under a self-funded health benefit plan. Governed by federal law under the Employee Retirement Income Security Act (ERISA), self-funded plans allow employers greater latitude in designing coverage.

- ### Save money
  Self-funding is designed so that you only pay for the health care that your group actually uses. You keep the savings when medical claims for your group are less than the plan's pre-determined amount.

- ### Limit risk
  Your business is protected by stop-loss insurance. If your group's medical claims are higher than expected, employer stop-loss insurance protection reimburses for covered expenses. Also, Blueprint's stop-loss insurance protection is medically underwritten at the time of enrollment so you know if a self-funded program is right for your group.

- ### Secure quality health benefits
  Choose among comprehensive coverage options to provide an employee benefit plan that meets the needs of your group.

Self-funded health plans are not for every group. In some instances a fully insured plan may be a better option.

The blueprint for self-funding

Self-funding is simple—you pay one single monthly bill that covers the entire cost of the plan. That payment includes all the pieces of a self-funded structure:

- **Claims account**
  Funds are deposited into an account set-up specifically for your group's covered medical claims.

- **Administration**
  Administrative services, such as billing, customer service and claims, are provided by EBSO, LLC.

- **Stop-loss insurance**
  Stop-loss insurance protection is underwritten by Standard Security Life Insurance Company of New York.

1 Your monthly payment applies to the claims account, plan expenses and stop-loss insurance premium.

2 All covered employee and dependent medical expenses are paid from funds deposited into the claims account.

3 Stop-loss insurance provides protection if claims exceed the pre-determined amount.

4 If claims do not exceed the account balance at the end of the year, remaining funds in the claims account are returned to the employer.

Specific stop-loss insurance

Specific insurance is designed to prevent the claims of **one covered individual** from diminishing the group's entire claim fund. If a member's medical claims exceed a pre-determined threshold, the specific stop-loss insurance reimburses the claims account for the excess amount.

Aggregate stop-loss insurance

Aggregate insurance pays when the overall claims of your covered employees and their dependents exceed what is available in the claims fund. This provides protection and guarantees your maximum cost is understood and locked for the plan year.

Self-funding provides protection— Aggregate and specific stop-loss benefit

The claims account is used to pay your group's covered medical claims. The amount of funds deposited each month is based on numerous factors, including your group's enrollment, location and medical history.

Your risk is always limited to the annual plan cost. If needed, the stop-loss insurance provides protection by advancing funds to the claims account during the plan year. Or, if covered medical claims exceed the anticipated claims account total for the plan year, stop-loss insurance reimburses the claims account so that all covered medical claims can be paid.

For example, a group purchases a Blueprint program which deposits $3,000 per month into the claims account. At the end of 12 months, the account would have $36,000 before claims are paid. Consider these three scenarios:

- If claims total $7,000 in month two and only $6,000 has been deposited to the claims account, the stop-loss carrier would advance $1,000 to the account to ensure claims are paid.
- If claims total $40,000 for the year, exceeding the required annual contribution to the claims account, the stop-loss insurance would pay the difference between the account total and the claims total: $4,000.
- If claims total $25,000 for the year, you will receive a refund on the unused portion of your claims account.*

Even if your group has higher than expected claims, the monthly bill does not change during your initial rate guarantee period, unless the group's enrollment, location or benefits change.

** Funds returned to the employer may be used in a limited manner. Please contact your broker or tax consultant for additional information.*

Employee health benefit plans

Blueprint *One*

The highest level of benefits with the greatest flexibility, Blueprint One offers numerous benefit combinations. Blueprint One is a PPO plan that features a physician visit copay including urgent care centers and extensive prescription drug benefit options.

Blueprint *HD*

An affordable high-deductible health insurance plan, Blueprint HD may help the employer achieve tax savings when an HSA-qualified plan design is paired with a health savings account. It may also be used as a non-HSA-qualified plan by adding office visit or prescription drug copayments.

Self-funded plan features

- ### Forced providers protection

  Certain providers such as radiologists, pathologists, anesthesiologists and emergency room personnel may have relationships with PPO facilities but are not included in the network. Understanding that an employee is not always able to select these providers when admitted to a PPO facility, Blueprint considers covered charges for these providers at the PPO deductible and payment percentage. The resulting benefit will be based on the Usual, Reasonable and Customary Charge if both the hospital and admitting physician participate in your group's selected PPO network.

- ### American Health Data Institute wellness management programs

  Programs provided by the American Health Data Institute (AHDI) focus on improving employees' health by combining features and incentives proven to effectively reduce illness and injury while encouraging participation. The AHDI designs its programs to make health care data usable for consumers to improve their overall health and wellness.

Services

- ### Health savings account

  Blueprint HD offers HSA-qualified plan options that help employers and employees maximize health care dollars. An HSA is a tax-advantaged savings account available to those covered by an HSA-qualified high-deductible health plan. Unused funds and the tax-free interest earnings on an employee's HSA are carried over year after year. The account remains with the employee even if they change employment, lose their job or retire. Consult your personal tax adviser regarding the tax implications of an HSA.

General information

The following provides a brief overview of the Blueprint plan's guidelines, definitions, limitations and exclusions. This brochure is not the self-funded Plan Document. Please refer to the self-funded Plan Document for detailed definitions along with a full explanation of plan guidelines, benefits, exclusions and limitations.

Timely notification of inpatient hospitalization

Notification of inpatient hospitalization is required within 48 hours after admission. If a plan member does not comply with the notification of inpatient hospitalization when required, covered expenses will be reduced by 50 percent up to a maximum penalty of $500 per confinement. This reduction is in addition to the calendar-year deductible and will not be applied to the out-of-pocket maximum. Notification is not pre-approval of coverage and does not guarantee payment of benefits.

Pre-existing conditions

A pre-existing condition is a condition, whether physical or mental and regardless of cause, for which medical advice, diagnosis, care or treatment was received within the six-month period ending on the insured person's enrollment date. A pregnancy will not be considered a pre-existing condition. A pre-existing condition will not be covered for a period of 12 months after the enrollment date (18 months for late enrollees).

The pre-existing condition limitation period will be reduced if the member is not a late enrollee and has had previous, creditable coverage as defined in the Health Insurance Portability and Accountability Act. The reduction is based on the length of the time the insured was covered under previous coverage without a gap of more than 63 days.

The pre-existing condition limitation does not apply to any covered person under the age of 19.

Total monthly cost

With respect to the self-funded plan, the administrative costs and amounts necessary to fund the claims account may vary if: 1) the employer adds or deletes covered employees or dependents; 2) the business moves to another geographic area; 3) the employer modifies the Plan or plan benefits or selects a different PPO network; or 4) benefits change due to applicable federal rules and regulations.

Usual, Reasonable and Customary Charges

This is the usual charge the company determines to be within the range of provider fees charged for treatment, services and supplies generally furnished for sickness or injuries of comparable severity and nature in the geographical area in which the treatment, services or supplies are furnished. Charges above the Usual, Reasonable and Customary amount are not considered a covered expense.

Employee and dependent eligibility requirements

An employee actively working at least 30 hours per week may enroll for coverage. The employer may elect to allow employees actively working at least 20 hours per week to enroll. An eligible employee may also enroll her/his lawful spouse and dependent children.

Renewability of coverage

Coverage under the stop-loss policy is guaranteed on a year by year basis. Renewal at coverage anniversary is subject to underwriting review and changes in premiums, benefits selected and benefits offered under the Blueprint program. Actual premiums may vary during any guarantee period if the number of people participating in the employer plan changes. In addition, the stop-loss carrier may refuse to renew or modify coverage if: premiums are not paid; the employer fails to meet contribution or participation requirements; it is determined that the employer or an employee has committed fraud or has misrepresented material facts under the terms of the stop-loss policy; or the insurer elects to discontinue offering this type of stop-loss insurance coverage, elects to discontinue all stop-loss insurance or modify the coverage for a product offered to any employee subject to the insurer giving the employer advanced written notice in accordance with applicable state law(s).

Termination of benefits

Coverage for an employee or dependent will remain inforce until: the required premium is not paid; employment is terminated; the employee or dependent no longer meet the eligibility criteria established by the plan; benefit maximums have been reached; or the employer terminates the group's coverage under the plan.

Self-funded plan exclusions summary

The following is a partial listing of the Blueprint health plan exclusions. Please consult the self-funded Plan Document for a complete description of the charges, services and supplies excluded from coverage. Except as specifically provided for in the self-funded Plan Document, the plan does not provide any benefits for the following charges, treatment, services or supplies for, or related to:

- Expenses that are not medically necessary for the treatment of a sickness or injury
- Experimental, investigational or investigative treatment
- War or an act of war
- Service in the armed forces of any country
- Medications and vitamins purchased without a Physician's written prescription (over-the-counter medications)
- Any injury or sickness that arises out of or in the course of any employment for wage or profit; an injury or sickness for which the employee or dependent has or had a right to recovery under any workers' compensation or occupational disease law
- The teeth; the gums other than tumors, or any other associated structures
- Treatment for temporomandibular joint (TMJ) dysfunction and/or myofascial pain dysfunction (MPD)
- Acupuncture, acupressure treatments or hypnotism, except those which are performed in lieu of anesthesia when administered in conjunction with a surgery which is a covered expense under the plan
- Expenses for eyeglasses or contact lenses, their fitting or examination
- Routine hearing exams to assess the need for or change to hearing aids; and the purchase, fittings or adjustments of hearing aids
- Any service or supply in connection with the implant of an artificial organ
- Services performed by a person who is a member of the plan member's immediate family or who resides in the plan member's home
- Initial Friday, Saturday and Sunday room and board charges incurred for hospital confinement which begins on Friday, Saturday or Sunday except for emergency admissions, pregnancy or scheduled surgery within the 24-hour period immediately following hospital admission
- Charges incurred by the plan member related to an injury or sickness that is intentionally self-inflicted while sane
- Any loss sustained or incurred due to a plan member being intoxicated or being under the influence of any illegal narcotic, barbiturate, hallucinatory or other drug, unless administered by a physician and taken in accordance with the prescribed dosage
- Services furnished to the plan member in any hospital, institution or facility operated by the United States Government, by any state government, by any agency or instrumentality of such government, or any foreign government agency, for which the plan member has no legal obligation to pay for services rendered or expenses incurred, except for care or service furnished by a tax supported state hospital for treatment of mental/nervous disorders
- Elective abortions; charges related to fertility testing and studies, sterility testing and studies, consultations, examinations, medications and procedures to restore or enhance fertility
- Weight reduction by diet control or surgery, or complications of such weight reduction surgery
- Foot orthotics; or treatment, services or supplies related to the feet by means of posting or strapping
- Private-duty nursing; custodial care
- Treatment, services or supplies received or purchased outside the United States unless the charges are incurred while traveling on business or for pleasure for a period not to exceed 90 days when charges are incurred for emergency services and are approved for use in the United States
- Expenses for completion of claim forms or for preparation of medical reports; for missed appointments or for computer, internet and telephone consultations
- For the Blueprint HD plan, outpatient prescription drugs, including specialty medications, are excluded unless an optional prescription drug benefit is selected
- When a prescription drug benefit is selected, exclusions and limitations apply. In addition to all of the exclusions listed above for the health plan, the following exclusions apply to outpatient prescription drug coverage:
    - Contraceptive devices
    - Immunization agents, biological sera, blood or blood plasma
    - Homeopathic medications
    - Medications purchased outside the United States

EBSO, LLC.

Benefit claims, billing, customer service and other administrative services for Blueprint employer plans are provided by EBSO LLC., of Minneapolis, MN and Milwaukee, WI. EBSO is a licensed third-party administrator which specializes in employer group health plan administration and small employer self-funded plans. EBSO administers benefits for more than one million individuals nationwide.

Standard Security Life Insurance Company of New York

Standard Security Life Insurance Company of New York underwrites the specific and aggregate stop-loss insurance described in this brochure. Standard Security Life, a member of The IHC Group, is rated A- (Excellent) for financial strength by A.M. Best Company Inc., a widely recognized rating agency that rates insurance companies on their relative financial strength and ability to meet policyholder obligations. (An A++ rating from A.M. Best is its highest rating.)

The IHC Group

For more than three decades, member companies of The IHC Group have built a reputation of commitment to the markets they serve. With over one million customers, The IHC Group's focus is to be an innovative partner to small businesses, individuals and families.

Important information

The information included in this brochure is a summary outline of the features, plan provisions, benefits, exclusions, limitations, and other information about the medical coverage provided under Blueprint employer self-funded health plans and a brief introduction to the employer stop-loss insurance policy. This brochure is not a contract and it is not intended to serve as legal interpretation of the self-funded Plan Document. Any provisions of the self-funded Plan Document or stop-loss policy or policies that are in conflict with federal laws, or any applicable state law, are amended to meet the minimum requirements of the law.

More details are provided in the self-funded Plan Document, which is the prevailing document and the basis for payment. Plan designs are subject to change to comply with federal health care reform, as necessary. Plan design availability and/or stop-loss coverage may vary by state. The exact provisions governing the stop-loss insurance are contained in Policy Number SL2004 (form number may vary by state) underwritten by Standard Security Life Insurance Company.

If the stop-loss insurance contract is terminated before the end of the contract period, no aggregate Excess Loss Benefits will be payable.

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