



CUBS HEALTH SOLUTIONS

An Affordable Alternative to Traditional Major Medical Insurance

Designed For

**Employer Clients of
Credit Union Business Services (CUBS)**



Highlights

- Employer Pays Some, All or None of Employee Premium
- No Medical Questions or Physical Examinations
- Freedom to Choose Any Health Service Provider
- No Deductibles-First Dollar Coverage
- Fixed Benefit Amounts—Benefits Can Be Paid Directly to the Insured
- Pays in Addition to Other Private Insurance
- Includes Access to Discounts on Physician & Hospital Services, Prescription Drugs and More
- Dental Option Available as Stand Alone Plan or in Addition to Health Plans

CUBS Health Solutions

CUBS Health Solutions is a lower-cost alternative to traditional comprehensive major medical insurance. It provides fixed benefits for basic health care expenses. *CUBS Health Solutions* is not comprehensive major medical insurance and should not be considered a replacement for any existing major medical coverage. It is, however, a valuable alternative for employers who do not provide major medical insurance for all of their employees.

AFFORDABLE—*CUBS Health Solutions* offers a solution to the problems of providing an affordable benefit program. Consider that the current national average monthly premium for full health coverage is \$335 single and \$907 family (Source: Kaiser Family Foundation's Employee Health Benefits Survey 2005). Compare those rates to the proposed monthly premiums in this proposal.

ACCESSIBLE—Most employer health plans limit eligibility to full-time workers. *CUBS Health Solutions* allows the inclusion of part-time, seasonal and temporary workers. *CUBS Health Solutions* is guaranteed issue for all eligible employees—there are no medical questions or physical exams. The offer of an affordable and accessible insurance benefit plan like *CUBS Health Solutions* helps attract and retain employees.

Of the 43 million Americans who do not have health insurance, 24 million have jobs. (Source: US Census Bureau, March 2000) These uninsured workers are responsible for their own health care expenses. *CUBS Health Solutions* provides valuable limited insurance benefits for uninsured employees—people who pay some or all of their own health care bills. Unless assigned to a provider, all benefits are paid directly to the insured.

FLEXIBLE—*CUBS Health Solutions* is flexible enough to be designed to meet the varying cost and coverage needs of different groups. CUBS clients may offer voluntary or contributory rates. All employee premium is collected via payroll deduction and submitted by the employer to the Administrator. Unlike many competing plans, *CUBS Health Solutions* has no minimum participation requirements.

Two distinct plan designs are included in this proposal. The employer can choose to make both plans available to all eligible employees or to designate plans for employees by class. In addition, a Dental option is available to all employees which can be added to either of the health plan options or selected by itself.

AFFORDABLE . . . ACCESSIBLE . . . FLEXIBLE . . . *CUBS Health Solutions*



CUBS HEALTH SOLUTIONS

The employer may offer either or both of the following plan designs:

	Advantage Plan pays:	Advantage Plus Plan pays:
Doctor's Office Visits	\$50 per visit	\$75 per visit
Diagnostic Tests	\$50 per visit	\$100 per visit
Child Wellness Visits	\$50 per visit	\$75 per visit
Hospitalization	\$250 per day	\$500 per day
Surgery (Inpatient / Outpatient)	\$1,000 / \$400 per procedure	\$2,000 / \$800 per procedure
Emergency Room	\$150 per visit	\$300 per visit
Best Benefits Discount Card	Included	Included

Doctor's Office Visits: The *CUBS Health Solutions Plan* pays the amount shown per visit to a doctor's office for treatment of injury or sickness. 5 visits allowed per covered person per calendar year; 1 of which may be used for wellness care.

Diagnostic Testing: The *CUBS Health Solutions Plan* pays the amount shown per visit to a doctor's office or outpatient facility for medically necessary diagnostic testing and x-rays of an injury or sickness. 3 visits allowed per covered person per calendar year; 1 of which may be used for wellness care.

Child Wellness Visits: The *CUBS Health Solutions Plan* pays the amount shown per visit to a doctor's office for well child care at 11 specified age intervals from birth through age 5. Well child care includes physical exam, laboratory tests, immunizations, and vision and hearing screening.

Hospitalization: The *CUBS Health Solutions Plan* pays the amount shown per day (overnight stays in hospital) for up to 30 days per confinement for injury or sickness. The benefit amount for hospitalization for confinement in an **Intensive Care Unit/Coronary Care Unit** is doubled for a maximum of 10 days per confinement. Benefits for **Mental Illness / Alcohol or Drug Abuse** confinements are payable at 50% of the daily benefit amount for a maximum of 10 days per confinement. Benefits for **Convalescent Facility** confinements are payable at 50% of the daily benefit amount for a maximum of 20 days per confinement; confinement must begin within 3 days of an inpatient hospitalization of at least 3 consecutive days.

Surgery: The *CUBS Health Solutions Plan* pays the amount shown for 1 inpatient surgery and for 1 outpatient surgery (performed in a hospital or outpatient surgery center) per covered person per calendar year.

Emergency Room: The *CUBS Health Solutions Plan* pays the amount shown for 3 visits to the emergency room (when not hospital confined) for injury and 1 visit for sickness per covered person per calendar year.

Best Benefits Discount Card—Participants receive discounted services from Best Benefits' network of participating doctors, hospitals, pharmacies and other medical service providers. Refer to page 4 for more details on the discounts available.

Survivor Benefit: Dependent coverage will continue—premium free—for up to 18 months after the end of the month in which the insured employee's death occurs.



BEST BENEFITS Pre-Negotiated Healthcare Discounts (included in the CUBS Health Solutions Plans)

The Best Benefits Healthcare Discount Card is a healthcare discount service which provides a valuable complement to *CUBS Health Solutions*' insurance benefits. Best Benefits is not insurance. However, using Best Benefits providers can substantially reduce the direct cost of doctor visits, hospitalization, prescription drugs, dental treatment and vision care and a wide variety of other medical expenses.

Best Benefits members can receive care at preferred rates at over 300,000 participating providers nationwide. Cardholders receive discounts without the necessity of special forms. And, there are no "gate-keeper" referrals.

Note: there is never a requirement to use a Best Benefits provider nor is there any financial or other penalty for choosing a non-participating provider. *CUBS Health Solutions* pays the same benefits whether or not a Best Benefits provider is selected.

The Best Benefits portfolio of providers and services includes:

- Physician services—up to 40% savings
- Hospital—average savings of 27% on inpatient and 20% on outpatient services
- Prescription drugs—up to 30% savings on generic and brand name drugs
- Dental services—up to 50% savings
- Vision services—up to 50% savings on designer frames, bifocals and contact lenses
- Chiropractic care—up to 40% savings
- Hearing services
- 24 / 7 Nurse Help Line

Program participants will receive a Best Benefits Healthcare ID card which may be used by all members of the participant's family. With the ID card, a brochure will be provided which explains the discounts available, how to access the discounts available and a personalized listing of local participating providers. Participants may also search for participating providers for the discount services available by visiting the Best Benefits website (www.findbestbenefits.com); enter 984005 as the Promo Code and follow the onscreen instructions.

The discounts available through the Best Benefits network of participating providers are NOT a health insurance plan. Members will receive discounts on medical services when they go to certain health care providers who are contracted with the plan. Members are solely responsible for payment of all health care services. No portion of any provider's fee will be reimbursed or otherwise paid by Best Benefits. This discount plan is administered by Best Benefits, Inc., 8420 W. Bryn Mawr, Suite 700, Chicago, IL 60631.



**CUBS HEALTH SOLUTIONS PLAN
Monthly Premiums—Contributory**

For contributory coverage, the employer must pay at least 50% of the Employee Only rate for all eligible employees. Insured employees pay the balance, including coverage for any dependents, through payroll deduction.

Advantage Plan

<u>Employee's Attained Age</u>	<u>Employee*</u>	<u>Employee & Spouse</u>	<u>Employee & Child(ren)</u>	<u>Family</u>
Under 30	\$43.00	\$70.00	\$107.00	\$134.00
30-34	\$52.00	\$86.00	\$115.00	\$149.00
35-39	\$57.00	\$95.00	\$120.00	\$158.00
40-44	\$63.00	\$105.00	\$126.00	\$168.00
45-49	\$69.00	\$115.00	\$132.00	\$179.00
50-54	\$76.00	\$127.00	\$139.00	\$190.00
55-59	\$87.00	\$146.00	\$150.00	\$210.00
60-64	\$110.00	\$187.00	\$174.00	\$250.00
65+	\$142.00	\$244.00	\$206.00	\$307.00

*Employer pays 50% of the Employee Only rate for all eligible employees.

Advantage Plus Plan

<u>Employee's Attained Age</u>	<u>Employee*</u>	<u>Employee & Spouse</u>	<u>Employee & Child(ren)</u>	<u>Family</u>
Under 30	\$71.00	\$121.00	\$184.00	\$233.00
30-34	\$86.00	\$148.00	\$199.00	\$261.00
35-39	\$96.00	\$165.00	\$209.00	\$278.00
40-44	\$107.00	\$184.00	\$220.00	\$297.00
45-49	\$118.00	\$203.00	\$231.00	\$316.00
50-54	\$131.00	\$225.00	\$244.00	\$338.00
55-59	\$153.00	\$263.00	\$266.00	\$376.00
60-64	\$199.00	\$344.00	\$312.00	\$457.00
65+	\$262.00	\$455.00	\$375.00	\$568.00

*Employer pays 50% of the Employee Only rate for all eligible employees.



**CUBS HEALTH SOLUTIONS PLAN
Monthly Premiums—Voluntary**

For voluntary coverage, employees pay 100% of the premium through payroll deduction.

Advantage Plan

<u>Employee's Attained Age</u>	<u>Employee</u>	<u>Employee & Spouse</u>	<u>Employee & Child(ren)</u>	<u>Family</u>
Under 30	\$52.00	\$85.00	\$131.00	\$165.00
30-34	\$63.00	\$105.00	\$142.00	\$184.00
35-39	\$69.00	\$116.00	\$148.00	\$196.00
40-44	\$76.00	\$129.00	\$155.00	\$208.00
45-49	\$84.00	\$142.00	\$163.00	\$221.00
50-54	\$92.00	\$156.00	\$171.00	\$235.00
55-59	\$106.00	\$180.00	\$185.00	\$260.00
60-64	\$135.00	\$231.00	\$215.00	\$311.00
65+	\$175.00	\$302.00	\$254.00	\$381.00

Advantage Plus Plan

<u>Employee's Attained Age</u>	<u>Employee</u>	<u>Employee & Spouse</u>	<u>Employee & Child(ren)</u>	<u>Family</u>
Under 30	\$86.00	\$148.00	\$227.00	\$289.00
30-34	\$105.00	\$183.00	\$247.00	\$324.00
35-39	\$117.00	\$204.00	\$259.00	\$345.00
40-44	\$131.00	\$228.00	\$272.00	\$369.00
45-49	\$145.00	\$252.00	\$286.00	\$393.00
50-54	\$161.00	\$279.00	\$302.00	\$420.00
55-59	\$189.00	\$327.00	\$330.00	\$468.00
60-64	\$246.00	\$427.00	\$388.00	\$569.00
65+	\$325.00	\$567.00	\$466.00	\$708.00



DENTAL OPTION

The Dental Option can be selected by itself or added to either of the health plans. No employer contribution is required.

Dental Plan pays:	
Dental Benefits	\$1,500 / calendar year \$500 maximum for periodontics \$750 maximum for orthodontia

Dental Benefits: Scheduled amounts are payable up to \$1,500 per covered person per calendar year for preventative and diagnostic care, restorative treatment, root canals, periodontics (\$500 lifetime maximum), oral surgery and orthodontia (\$750 maximum per course of treatment). Some benefits require a 12 month waiting period before benefits are available. (See Schedule of Benefits below)

Dental Schedule of Benefits

Category:	Dental Plan pays:	Category:	Dental Plan pays:
Type 1: Preventive & Diagnostic		Type 5: Periodontics (\$500 Lifetime Maximum)	
a. Oral exams, including prophylaxis	\$ 36.00	a. Tissue grafts or bone surgery	\$ 96.00
b. Bitewings, per film	\$ 4.80	b. Gingivectomy (per quadrant), periodontal scaling, periodontal splinting, root planing	\$ 60.00
c. X-ray, panoramic or cephalometric	\$ 36.00	c. Gingival curettage (per quadrant)	\$ 36.00
d. Sealants / topical fluoride	\$ 10.20	d. Gingivectomy (per tooth)	\$ 24.00
e. Space maintainers	\$108.00		
Type 2: Major Restorative		Type 6: Oral Surgery	
a. Crowns, bridges & dentures	\$180.00	a. Surgeries Level 1 (ex. Removal of exostosis)	\$120.00
b. Pre-fabricated crowns	\$ 60.00	b. Surgeries Level 2 (ex. Removal of impacted tooth)	\$ 66.00
c. Crown build-up procedures	\$ 48.00	c. Surgeries Level 3 (ex. Simple extraction)	\$ 36.00
Type 3: Minor Restorative		Type 7: General Anesthesia and IV	
a. Fillings	\$ 42.00	a. IV, first half hour general, each additional 1/4 hour general	\$ 72.00
b. Crown, bridge and denture repairs	\$24.00		
c. Relining or rebasing dentures	\$ 60.00	Type 8: Orthodontia (Per Course of Treatment)	\$750.00
Type 4: Endodontics			
a. Root canals, apicoectomies	\$192.00		
b. Root amputation	\$ 96.00		
c. Therapeutic pulpotomy, retrograde fillings, apexification, hemisection	\$ 48.00		

Types 1 through 7 subject to annual maximum of: \$1,500.00
Types 2, 5, 6a, 7 and 8 are subject to 12 month waiting period

Monthly Premiums

Employee Only	\$18.00	Employee & Child(ren)	\$50.00
Employee & Spouse	\$36.00	Family	\$67.00



ADMINISTRATION

Administrator. Towers Affinity Benefit Services (TABS), a division of Towers Administrators, Inc., will administer the program. TABS is a strategic alliance entity jointly created and managed by Affinity Group Underwriters and Towers Administrators.

Eligibility. All employees in an eligible class who have completed the required waiting period (30, 60, or 90 days, if elected by the employer) are eligible provided they:

- ❖ are actively at work by performing all the normal duties of their job;
- ❖ reside in the United States;
- ❖ are not in full-time service of the Armed Forces.

Dependents are also eligible. Spouses (if not legally separated or divorced) and children, including adopted and stepchildren who are unmarried and dependent on the employee for support, up to age 19 (26 if a full-time student), are eligible provided they:

- ❖ are performing the usual activities of a person who is the same age and gender;
- ❖ reside in the United States;
- ❖ are not in full-time service of the Armed Forces.

Enrollment Process. Employees are given information about the plan design and rates by the employer. During the charter open enrollment period (or any subsequent annual open enrollment period), eligible employees may complete an enrollment form to participate in the plan. Open enrollment is available for new employees for 30 days following completion of any required waiting period (see Eligibility above).

Rate Increases / Policy Cancellation. No individuals can be singled out for cancellation or rate increase under the policy. The Policyholder (employer) has the right to cancel the policy on any premium due date by providing 31 days written notice. The insurance company has the right to cancel the policy by providing at least 31 days notice to the Policyholder.

Effective Date of Coverage. Coverage becomes effective on the first day of the month coinciding with or immediately following the date a completed enrollment form is received, provided that full premium for the coverage has been received.

Termination for Employees/Dependents. A covered employee automatically ceases to be insured on the occurrence of any of the following events:

- ❖ he or she requests cancellation;
- ❖ the end of the last period for which all required premium has been paid;
- ❖ the date employment ends;
- ❖ the last day of the month when the employee is pensioned or retired;
- ❖ the date the employer ceases to offer the plan;
- ❖ the date the policy terminates.

Spouse and children's coverage terminates concurrently with that of the employee, or earlier if they no longer qualify as a dependent, or if the employee requests termination of coverage.



ADMINISTRATION

Premium Billings. Monthly billings will be sent to the employer. Self-accounting is also available for larger groups. The employer must pay as billed. Changes and adjustments should be noted by the employer when premium is remitted. Age adjustments will be processed on a common anniversary date. An administrative fee of up to \$9.00 depending on group size will be reflected on each bill.

Disability / Layoff / Leave of Absence Continuation. Coverage may continue, provided the appropriate premium is paid:

- ❖ for up to two months after the employee ceases full-time work because of temporary layoff or leave of absence; or
- ❖ for up to six months after the employee ceases full-time work because of injury or sickness.

Dependent coverage will continue provided the appropriate premium is paid under the same conditions above.

Coverage may not continue if the employee begins work for pay or profit with another employer.

COBRA Continuation. Employers with 20 or more employees are required to offer an extension of benefits as required by federal COBRA legislation. TABS can facilitate this service for the employer.

Reinstatement. An employee may qualify for reinstatement within 90 days from the date the employee was last eligible. He will be reinstated and eligible for coverage on the first day of the calendar month following a month in which he works and satisfies a new waiting period.

Survivor Benefit. Dependent coverage will continue with no premium required, for up to 18 months after the end of the month in which the employee's death occurs.

Payment of Claims. Unless assigned to a provider, all claims for covered medical services, including those that have been discounted through the Best Benefits discount program, are paid directly to the insured employee. An Employer's Administration Kit will be issued which includes claim forms and instructions for filing claims.

Services and discounts under the Best Benefits discount program are at the discretion of the provider and are not the responsibility of Markel Insurance Company. The transaction for discounted services is handled with the participating provider. The employee is responsible for payment to the provider. Claims for covered services under *CUBS Health Solutions* should be filed for reimbursement, according to the plan's benefits, to the employee. Charges for services which are not covered under *CUBS Health Solutions* are the full responsibility of the employee.

Evidence Of Coverage. The employer will be issued a group policy and act as Policyholder of the plan. All insured employees will receive a certificate of insurance and an identification card.

Pre-Existing Conditions Limitation (applicable to Hospitalization and Surgery benefits only). A "pre-existing condition" is defined as any injury or sickness for which diagnosis has been made, treatment has been recommended, treatment has been rendered, or expenses have been incurred within 6 months prior to becoming covered under the plan. It includes any condition manifesting itself in symptoms which would cause an ordinarily prudent person to seek medical advice, diagnosis, care or treatment. Benefits under the Hospitalization or Surgery provisions of the plan are not payable for a "pre-existing condition" for the first 6 months following an insured's effective date.



Exclusions and Limitations Applicable To All Benefits

Benefits are not provided for injury or sickness of a covered person which results directly or indirectly, wholly or partly, from:

- Insurrection, rebellion, participation in a riot, commission of or attempting to commit an assault, battery, felony, or act of aggression;
- War or any act of war, whether declared or undeclared, or sickness contracted or accidental bodily injury occurring while on full-time active duty in the Armed Forces of any country or combination of countries;
- Occupational injury or sickness, or any injury or sickness otherwise covered by any Workers' Compensation Act, Occupational Disease Law or similar law;
- Operating a motor vehicle under the influence of alcohol as evidenced by a blood alcohol level in excess of the state legal intoxication limit;
- Care or treatment related to intentionally self-inflicted injury or self-induced sickness;
- Charges for which there is no legal obligation to pay, or no charge is made, or in the absence of coverage no charge would be made;
- Charges incurred after termination of coverage;
- Charges for care or services furnished by any agency or program funded by federal, state or local government except Medicaid;
- Charges which are not medically necessary for treatment of sickness or injury;
- Unless specifically provided for in the plan, charges for routine physicals or exams or routine immunizations when no injury or sickness is present;
- Charges for medical care, services, or supplies which are not furnished or prescribed by a doctor;
- Charges for experimental or investigational treatment, procedures for research purposes or practices when not generally recognized as accepted medical practices;
- Charges for care, treatment, services or supplies that are not approved or accepted as essential to the treatment of an injury or sickness by any of the following:
 - The American Medical Association,
 - The U.S. Surgeon General,
 - The U.S. Department of Public Health,
 - The National Institute of Health;
- Charges related to cosmetic surgery except
 - to repair disfigurement because of an accidental bodily injury which occurs while covered under the plan, or
 - for reconstructive surgery because of mastectomy which is performed within 12 months of the mastectomy because of malignancy and while covered under the plan, or
 - for treatment of a congenital anomaly in a child born to the insured while covered under the plan;
- Unless specifically provided for in the plan, dental care or oral surgery except for closed or open reduction of fractures or dislocation of the jaw;
- Unless specifically provided in the Plan, charges for treatment of Mental Illness;
- Unless specifically provided in the Plan, charges for treatment of Alcohol or Drug Abuse;
- Unless specifically provided for in the plan, charges for refractions, eyeglasses or their fitting;
- Hearing aids or their fitting;



Exclusions and Limitations Applicable To All Benefits (cont'd.)

- Charges in connection with obesity, weight reduction, or dietetic control, except for morbid obesity or disease etiology;
- Charges for treatment or services for Temporomandibular Joint (TMJ) Syndrome, orofacial, or myofascial syndrome whether medical or dental in scope;
- Charges for reversal procedures in connection with previous male or female sterilization;
- Charges for services related to educational or vocational testing or training;
- Any charges for abortions which are not medically necessary;
- Any charges for outpatient food, food supplements, or vitamins;
- Any charges for prescription drugs or durable medical equipment;
- Surgery to correct vision problems which are not caused by a sickness or injury;
- Charges for treatment of male or female infertility; in vitro and in vivo fertilization of an ovum, or artificial insemination including but not limited to:
 - Drugs and medicines;
 - Diagnostic and surgical procedures including but not limited to:
 - Aspiration of ovarian cysts;
 - Harvesting or obtaining eggs;
 - Other surgical treatment of infertility;
 - Diagnostic laboratory and pathology procedures; and
 - Diagnostic radiology, nuclear medicine and ultra sound procedures;
- Charges made by a surgeon, nurse, dentist or doctor who:
 - Normally lives with the covered person;
 - Is a member of the covered person's family; or
 - Is the covered person's employer or another employee of the employer; or
 - Is contracted for or by a union, employee benefit association, trustee, or similar organization or the employee of a clinic contracted for or by any such organization;
- Charges for custodial care;
- Charges for care, treatment, services, supplies or confinements primarily for the convenience of the covered person, his doctor, his family or other providers;
- Charges related to smoking cessation;
- Treatment received outside of the United States except for emergency treatment while traveling;
- The processing of nuclear fission or fusion, or the processing, use, handling or transporting of radioactive material, including but not limited to nuclear reactors or any weapon of war or explosive device employing nuclear fission or fusion.

Limitation/Exclusion Specific to Hospitalization and Surgery Benefits of the Plan

Benefits are not provided for injury or sickness of a covered person which results directly or indirectly, wholly or partly, from pre-existing conditions until covered under the plan for 6 continuous months. Refer to the definition of "pre-existing condition" in the Administration section.



Exclusions Specific to the Dental Care Benefits of the Plan

Benefits are not provided for any charges or expenses incurred by a covered person which result directly or indirectly, wholly or partly from:

- Replacement of a tooth extracted prior to the covered person's effective date;
- Dentures, crowns, inlays, onlays, bridgework or appliances or services for increasing vertical dimensions;
- Denture or bridgework adjustments;
- Replacement of a lost or stolen prosthesis or for a duplicate prosthesis;
- Oral hygiene, diet or plaque control instructions and programs;
- Athletic mouth guards;
- Temporary denture or bridge;
- Failure to appear as scheduled for an appointment;
- Tooth re-implantology not resulting from an accident;
- Drugs except for injectable antibiotics administered by a dentist;
- Procedures, services, or supplies, which do not meet accepted standards of dental practice;
- Treatment initiated prior to coverage under the plan, except for comprehensive orthodontic treatment as defined by the policy; or
- Expenses which are not specifically listed in the Schedule of Benefits.

IMPORTANT—This plan is not comprehensive major medical insurance. Policy forms are intended to comply fully with all applicable state insurance statutes and regulations. Because of differing state requirements, benefits, terms and conditions may vary by state from the description in this proposal.

Marketed by:

Credit Union Business Services (CUBS)

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Insurance carrier:



Markel is rated "A" (Excellent) by A.M. Best & Company.

Managed and administered by:



Affinity Group Underwriters, Inc.
Towers Affinity Benefit Services

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