



ASSURANT
Health®

Assurant. On your terms.®



Time Insurance Company

The Assurant Self-Funded Program provides tools for small-business employers to establish a self-funded health benefit plan for their employees. The benefit plan is established by the employer and is not an insurance product. Stop loss insurance for the self-funded plan is underwritten and issued by Time Insurance Company.

Assurant Self-Funded Program

A health care **financing solution**

Gain control over health care expenses, and lower your insurance costs now and for years to come, by putting a self-funded health plan to work for your small business. With self funding — directly funding your group's own claims — you pay only for the health care services your group actually uses. If your group's claims expenses are relatively low, your overall savings can be significant.

Self funding made easy

The Assurant Self-Funded Program is a set of budgeting tools that makes it easy for you to finance your small business's health care expenses. Your maximum self-funding cost for the plan year is determined up front — and it's guaranteed not to change, subject to enrollment and benefit changes, so you'll always pay a flat monthly bill.*

Limit your business's financial exposure!

*Employer may be responsible for additional applicable state or federally mandated fees.

Assurant Health brings it all together

The Assurant Self-Funded Program includes three key components:



Tools and templates to assist you with establishing and maintaining your own **self-funded health benefit plan** and **claims fund**, from which your group's claims are paid



Assurant Health **stop loss insurance** to protect you from higher-than-expected claims



Plan administration by Allied Benefit Systems, a third-party plan administrator with more than 30 years' experience in benefit plan management and administration

With the Assurant Self-Funded Program, you get all of the benefits of self funding and none of the hassles — meaning you're free to focus on your business.

The three components of the Assurant Self-Funded Program

1-2-3



1. Assurant Health stop loss insurance

Your group's claims are paid out of your claims fund, which is funded by you with a portion of your monthly payments. (See page 5 for details.) But what happens if claims are larger than expected?

Assurant Health **stop loss insurance** protects your business's assets against larger-than-expected claims by covering you — through direct payments into your claims fund — if claims for the plan year exceed pre-determined levels called *stop loss deductibles*.

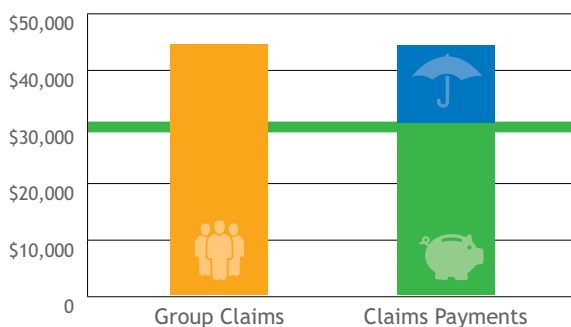
Stop loss insurance also advances money to your claims fund if the claims for any given month exceed your claims fund's available balance.

There are two types of stop loss benefits, aggregate and specific.

Aggregate stop loss benefit

The aggregate stop loss benefit protects you against higher-than-expected claims incurred by your **group** as a whole. The **aggregate deductible** is equal to your total contribution to the claims fund for the plan year. It's calculated based on a census of your group and takes several factors into account, such as the number of members, their ages, genders, etc. It is based on the total expected claims for the plan year for all group members.

If the group's overall claims for the plan year exceed the aggregate deductible, Assurant Health stop loss insurance covers you, via a deposit into your claims fund, for the cost of your group's claims for the remainder of the plan year.



Aggregate Stop Loss Example

This group has an aggregate deductible of \$30,000, indicated by the green line. Claims are paid from the claims fund (green bar). If the group's total claims for the plan year (orange bar) exceed the aggregate deductible, stop loss insurance covers the employer for the plan's claims costs for the remainder of the plan year (blue bar).

All examples are for illustration only.

This brochure provides summary information. Please refer to the stop loss policy or ask your agent for a complete listing of stop loss benefits, exclusions and terms of coverage. In the event that there are any discrepancies with the information in this brochure, the terms and conditions of the stop loss coverage documents will govern.

Stop loss insurance is underwritten and issued by Time Insurance Company.



Stop loss insurance continued on next page →

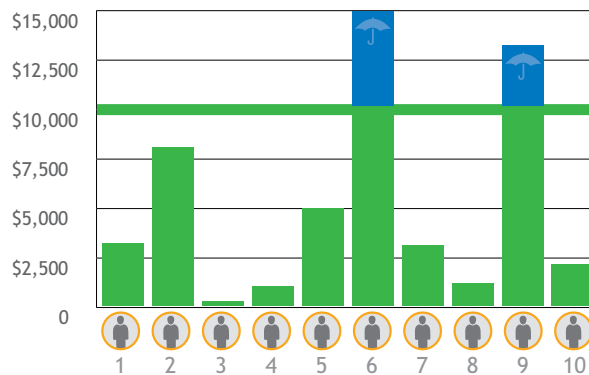


1. Assurant Health stop loss insurance, cont.

Specific stop loss benefit

The specific stop loss benefit protects against higher-than-expected claims by an **individual** group member. If an individual group member's claims exceed a preselected level called the **specific deductible**, Assurant Health stop loss insurance covers you for the remaining portion of that member's claims for the plan year, via a deposit into your claims fund.

The specific deductible is chosen by you, and is available in \$10,000, \$15,000, \$20,000 or \$25,000 levels (varies by state).



Specific Stop Loss Example

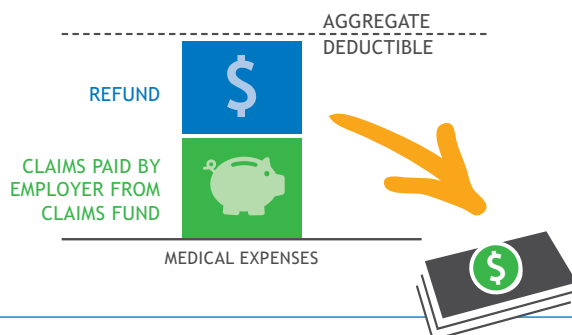
This employer has selected a specific deductible of \$10,000 for each employee, indicated by the green line. 10 of the group's members incur claims during the plan year, and the claims of two members (#6 and #9) exceed the specific deductible. The employer's claims fund pays up to \$10,000 per employee (green), and stop loss insurance covers the employer for employees' claims above \$10,000 (blue) for the remainder of the plan year.

You won't pay more than what you have planned and budgeted for!

Refund potential!

If your group's overall claims for the plan year are less than your aggregate deductible (equal to your total claims fund contributions for the plan year), the difference is refunded!

Note that there is a 6- or 12-month run-out period that begins at the end of each plan year to allow for claims from that plan year to be processed. The refund is paid at the end of the run-out period.



This group has a specific deductible of \$10,000 and an aggregate deductible of \$30,000. Even if an individual group member exceeds the specific deductible, if the group's overall claims are less than the aggregate deductible, the business receives a refund.

Over 60% of our self-funding employers receive a refund!

Source: Assurant Self-Funded Program customer experience, 2012



2. Your health benefit plan and claims fund

Your **self-funded health benefit plan** and **claims fund** make it easy for you to fund your group's claims. The plan and the fund are owned by you, the small-business employer, and you select the features and options.

There are many plan design templates for you to choose from and customize, which offer your employees options similar to what they might be accustomed to seeing with traditional fully insured plans. See the benefits chart on the next page for details.

- Your monthly payment includes a contribution to your **claims fund**. The group's claims are paid out of this fund.
- Depending on how the plan is set up, the employee may have **cost sharing requirements** to satisfy, such as a deductible or coinsurance, before claims are paid from your claims fund.
- You are protected from larger-than-expected claims by stop loss insurance (pages 3-4).
- Best of all, if claims are lower than expected and there is money left in your claims fund at the end of the year, it's **refunded** back to you!*



*Please note the run-out period described on page 4.





Your health benefit plan options

Build your health benefit plan

1.

Choose your plan

Health plan - many deductible options and first-dollar benefits available

HSA-qualified health plan - premium savings from higher deductibles, plus tax savings from Health Savings Accounts (HSAs)

2.

Choose options to build your plan

3.

Add Accident Medical Expense (optional)

Pays the first covered expenses for each accidental injury at 100%. You choose the amount: \$500 or \$1,000.

Additional expenses and treatment that occurs more than 90 days after the accident are subject to the plan deductible and coinsurance.

4.

Add more tax-saving vehicles (optional)

- Health Reimbursement Arrangement (HRA)
- Premium Only Plan (Section 125 Plan)

Assurant Health is not engaged in rendering tax advice. Please see a qualified tax professional for tax advice.

Accidental Medical Expense is an optional benefit available at an additional cost. It is not a voluntary supplemental product. Availability varies by state.

The self-funded health benefit plan is not an insurance product.

Choose options to build your plan

Deductible

Benefit Percentage/Coinsurance

Coinsurance Out-Of-Pocket Maximum

Office Visits (OV)

Prescription Drugs

Covers oral contraceptives.

Mail order copays are three times the selected copay for a three-month supply.

Plans without a copay include a preferred pricing card for use at participating pharmacies.

Diagnostic Imaging and Laboratory Services

MRI, CT scan, PET scan, ultrasound, EKG, chemotherapy, radiation therapy and dialysis are always subject to deductible and coinsurance.

Plan benefits

Services covered subject to deductible and coinsurance:

Preventive Care

Urgent Care

Emergency Room

Nonemergency use of an emergency room is subject to a 30% benefit penalty.

Outpatient Physical Medicine

Includes physical, speech and occupational therapies; chiropractic care; cardiac and pulmonary rehabilitation, and treatment for developmental delay.

Acute and Subacute Rehabilitation Facilities

Skilled Nursing Facility

Home Health Care

Hospice Care

Transplants

Behavioral Health and Substance Abuse

Use our plan design templates to build a plan that best suits the needs of your business and your employees.

| Health plan options | HSA-qualified health plan options |
|--|---|
| <p>\$500, \$1,000, \$1,500, \$2,000, \$2,500, \$3,000, \$3,500, \$5,000, \$7,500 or \$10,000</p> <p><i>Family maximum is two times the individual deductible. Please see "Family Deductible Accumulations" section on page 10 for details.</i></p> | <p>Individual plan: \$1,500, \$2,000, \$2,500, \$3,000, \$3,500 or \$5,000 Family plan: \$3,000, \$4,000, \$5,000, \$6,000, \$7,000 or \$10,000</p> <p><i>HSA family plans have two available deductible accumulation methods: OneDeductible and Individual/Family. Please see "Family Deductible Accumulations" section on page 10 for details.</i></p> |
| <p>100%/0%, 90%/10%, 80%/20%, 70%/30% or 50%/50%</p> | <p>100%/0%, 90%/10%, 80%/20%, 70%/30% or 50%/50%</p> |
| <p>\$0, \$1,000, \$1,500, \$2,000, \$2,500, \$3,500, \$5,000 or \$10,000</p> <p><i>Family maximum is two times the coinsurance out-of-pocket maximum.</i></p> | <p>\$0, \$1,000, \$1,500, \$2,000, \$2,500 or \$3,500</p> <p><i>Family maximum is two times the coinsurance out-of-pocket maximum.</i></p> |
| <ul style="list-style-type: none"> • No copay – subject to deductible and coinsurance or • Copay options (Primary Care Provider/Specialist): \$20/\$35, \$35/\$50 (\$30/\$50 in Colorado) or \$40/\$60 | <p>Covered subject to deductible and coinsurance</p> |
| <ul style="list-style-type: none"> • No copay – subject to deductible and coinsurance • \$15 copay for generics, brand not covered or • Copay options (generic/preferred brand/nonpreferred brand): <ul style="list-style-type: none"> • \$20/\$50/\$75 • \$300 deductible for brand, and then \$15/\$45/\$60 or • \$15/\$45/\$60 | <p>Covered subject to deductible and coinsurance</p> |
| <ul style="list-style-type: none"> • Covered subject to deductible and coinsurance <p>or</p> <ul style="list-style-type: none"> • Paid at 100% option <p><i>* Varies by state.</i></p> | <p>Covered subject to deductible and coinsurance</p> |
| Plan benefits | Plan benefits |
| <p>Physician Services, Allergy Testing, Professional Air and Ground Ambulance, Outpatient Hospital/Surgical Center, Colonoscopy, Maternity Care, Inpatient Hospital and Durable Medical Equipment</p> | |
| <p>Preventive services and related office visits are paid at 100% when the service, such as a routine mammogram, well-child exam or immunization, is recommended by the United States Preventive Services Task Force, Centers for Disease Control or Health Resources and Services Administration</p> | |
| <ul style="list-style-type: none"> • Covered subject to deductible and coinsurance • If an OV copay is selected, urgent care is subject to a \$50 copay | <p>Covered subject to deductible and coinsurance</p> |
| <ul style="list-style-type: none"> • \$100 access fee, then deductible and coinsurance • If an OV copay is selected, you may also add a \$250 ER copay (this option varies by state) | <p>Covered subject to deductible and coinsurance</p> |
| <ul style="list-style-type: none"> • Covered subject to deductible and coinsurance • If an OV copay is selected, physical medicine performed in a network provider's office is subject to the copay | <p>Covered subject to deductible and coinsurance</p> |
| <p>31-day combined benefit, subject to deductible and coinsurance</p> | |
| <p>31-day benefit, subject to deductible and coinsurance</p> | |
| <p>50-visit benefit, subject to deductible and coinsurance</p> | |
| <p>Paid at 100%</p> | <p>Subject to deductible, then paid at 100%</p> |
| <ul style="list-style-type: none"> • Covered subject to deductible and coinsurance at a designated provider • \$100,000 lifetime benefit maximum per organ at a nondesignated provider | |
| <p>Outpatient: Covered subject to deductible and 50% coinsurance Inpatient: 30-day benefit, subject to deductible and 50% coinsurance <i>Coinsurance does not apply to out-of-pocket maximum.</i></p> | <p>Outpatient: Covered subject to deductible and 50% coinsurance Inpatient: 30-day benefit, subject to deductible and 50% coinsurance</p> |

Benefits and options may vary by state. Not all plan payment combinations are available.

The amount of benefits depends on the options selected, and the cost will vary with the amount of benefits. Out-of-network provisions apply. See page 10 for details.



3. Plan administration

Your plan is managed and administered by our trusted third party administrator, Allied Benefits Systems, Inc. (Allied), with more than 30 years of experience in benefit management and administration services.

- Allied manages your claims payments, accounting, customer service and more.
- Allied offers extensive online services and monthly reports that make it easy for you and your employees to access information about your plan.

Allied takes care of the administration for you — so you're free to focus on your business.

Simplified billing

Allied simplifies your billing, too. One flat monthly payment* covers everything — your claims fund contributions, stop loss insurance premium and administrative services. That bill is guaranteed not to change, subject to enrollment and benefit changes.

*Employer may be responsible for additional applicable state or federally mandated fees.

Allied also administers tax-advantaged options

- **To get the tax advantages of HSAs, select an HSA-qualified plan.** With an HSA, your employees have their own tax-favored savings accounts to save for qualified medical expenses.
- **An HRA gives you tax advantages and control over cash flow no matter which plan you choose.** With an HRA, you directly reimburse employees for a predesignated portion of their qualified medical expenses.
- **A Premium Only Plan (Section 125 Plan)** allows employees to pay health insurance and other eligible premiums with pretax dollars and saves you money on the FICA payroll tax match.

Assurant Health is not engaged in rendering tax advice. Please see a qualified tax professional for tax advice.

More ways for you and your employees to save

No matter which options your self-funded plan includes, you and your employees will have many ways to save when you need health care services.



Get discounts by using doctors and hospitals in your network

Choose from an array of broad networks, with both local and national networks available — decide what's right for your group. When you and your employees use doctors and hospitals that are part of your network, you get better discounts on the services.



Pay less for prescriptions

When you fill your prescriptions at a participating pharmacy, you and your employees will pay the lowest of:

1. The pharmacy's retail price
2. Your plan's discounted rate, or
3. The amount of your copay

For example, if the discounted rate for a generic is \$22 and you have a \$15 copay, you pay \$15. But if your pharmacy's price is only \$4, then \$4 is all you pay!



Seek convenient care at retail health clinics

Time and money-saving health clinics located inside select retail stores allow you and your employees to walk in for routine care and treatment of non-emergency conditions. Your health benefit plan covers these services the same as services performed by providers in your network.



The Assurant Self-Funded Program provides tools for small-business employers to establish a self-funded health benefit plan for their employees. This program includes tools to assist employers with establishing and maintaining a self-funded health benefit plan under the Employee Retirement Income Security Act (ERISA), along with stop loss insurance provided by Assurant Health, and plan administration. The benefit plan is established by the employer and is not an insurance product. Stop loss insurance for your self-funded plan is underwritten and issued by Time Insurance Company.

Terms and provisions of the self-funded health benefit plan templates

Out-of-network services

If a covered person seeks non-emergency care at a doctor or hospital that is not part of your network, he or she will not receive network discounts and may incur additional expenses.

For instance, copays are not accepted by doctors and hospitals that are not part of your network, and the covered charges will be handled as any other out-of-network service — subject to:

- The maximum allowable amount — the most the plan pays for covered services. The covered person will be responsible for any balance in excess of this amount.
- The out-of-network deductible — two times the deductible.
- The out-of-network coinsurance — typically an additional 20% of charges.
- The out-of-network coinsurance out-of-pocket maximum — two times the coinsurance out-of-pocket maximum.

Emergency care benefit

In emergency situations, covered charges will be handled as network services, no matter where services are performed. All charges are subject to the maximum allowable amount.

Affiliated provider services

As long as a covered person uses hospitals and admitting physicians that are part of your network, his or her covered charges will be handled as network services even when affiliated physicians and other health care providers (e.g., radiologists, anesthesiologists, pathologists or surgeons) are not part of your network. All charges are subject to the maximum allowable amount.

Family deductible accumulations

Individual/Family (available for all plans)

Covered expenses for each family member accumulate toward his or her individual deductible and benefits begin:

- For the family member — once his or her individual deductible is met.
- For all family members — once the combined amounts accumulated toward two or more individual deductibles reach the amount of the family deductible.

OneDeductible (available for HSA-qualified plans with family deductibles \$5,000 and higher)

Covered expenses for all family members accumulate toward the family deductible, and benefits begin for all family members once that amount is reached.

Utilization review

When inpatient treatment is needed, the covered person is responsible for calling Assurant Health to receive authorization. The toll-free telephone number appears on your ID card. If authorization is not received, a penalty of 15% of the charge up to \$1,000 could be applied. No benefits are paid for transplants that are not authorized. Authorization is not a guarantee of coverage.

Employment waiting period

The employment waiting or affiliation period is the number of consecutive days an employee must be working before he/she is eligible to be covered. The following choices are available: 0, 30, 60, 90, 180 or 365 days.

Deductible credit

When coverage first begins, credit is given for any portion of a calendar-year deductible satisfied under the prior plan during the same calendar year. However, no credit is given for past policy-year deductibles.

Exclusions summary

The health benefit plan templates do not provide benefits for:

- Treatment not listed in the Covered Medical Services section of the summary plan description
- Complications of an excluded service
- Charges in excess of any stated benefit maximum
- Treatment reimbursable by Medicare, Workers' Compensation or automobile carriers, or expenses for which other coverage is available
- Treatment of an illness or injury caused by acts of war, felony or influence of an illegal substance
- Routine hearing care, vision therapy, surgery to correct vision, foot orthotics, or routine vision and foot care unless part of diabetic treatment
- Dental care not related to a dental injury
- Non-surgical treatment for TMJ or CMJ other than that described in the contract, or any related surgical treatment that is not pre-authorized
- Any correction of malocclusion, protrusion, hypoplasia or hyperplasia of the jaws
- Treatment of "quality of life" or "lifestyle" concerns including but not limited to obesity, hair loss, restoration or promotion of sexual function, cognitive enhancement and educational testing or training
- Charges for cranial orthotic devices, except following cranial surgery
- Charges for medical devices designed to be used at home, except as otherwise covered in the Durable Medical Equipment and Personal Medical Equipment provision or the Diabetic Services provision in the Medical Benefits section
- Charges for devices or supplies, except as described under a Prescription Order
- Charges for cosmetic services including chemical peels, plastic surgery and medications
- Charges for prophylactic treatment
- Charges by a medical provider who is an immediate family member or who resides with a covered person
- Charges related to health care practitioner-assisted suicide
- Charges for custodial care, private nursing, telemedicine or phone consultations
- Charges for growth hormone stimulation treatment to promote or delay growth
- Charges for diagnosis and treatment of infertility, sex transformation, surrogate pregnancy or sterilization reversal
- Charges for umbilical cord storage, genetic testing, counseling or services
- Charges for treatment of behavioral health or substance abuse, except as otherwise covered in the Behavioral Health and Substance Abuse provision in the Medical Benefits section
- Charges for testing and treatment related to the diagnosis of behavioral conduct or developmental problems
- Charges for alternative medicine, including acupuncture and naturopathic medicine
- Charges for chelation therapy

Exclusions summary, cont.

- Charges for experimental or investigational services
- Charges for drugs not approved by the FDA
- Charges for over-the-counter drugs (unless recommended by the United States Preventive Services Task Force and authorized by a health care provider), drugs obtained from sources outside the United States, and the difference in cost between a generic and brand name drug when the generic is available

This brochure provides summary information for the health benefit plan templates. Please refer to the summary plan description for a complete listing of the benefits, terms and exclusions. In the event that there are discrepancies with the information in this brochure, the terms and conditions of the summary plan description and other plan documents will govern.

When you choose insurance coverage for your small business, you want solid protection that will be there when your employees need it. That's what you get from Assurant Health — strong financial resources and a long-term commitment to protecting small businesses.

- Rated A- (Excellent) by the highly respected insurance industry analyst, A.M. Best Company*
- Part of Assurant, Inc., a Fortune 500 company
- 120 years† in health insurance — experience and expertise you won't find anywhere else
- Health insurance solutions offered to small businesses and individuals across the U.S.

* Source: A.M. Best Ratings and Analysis of Time Insurance Company and John Alden Life Insurance Company, December 2012

† Assurant Health is the brand name for products underwritten and issued by Time Insurance Company (est. 1892) and John Alden Life Insurance Company (est. 1961)

For more information, or to apply for coverage, contact your insurance agent.

About Assurant Health

Assurant Health is the brand name for products underwritten and issued by Time Insurance Company (est. 1892), John Alden Life Insurance Company (est. 1961) and Union Security Insurance Company (est. 1910) ("Assurant Health"). Together, these three underwriting companies provide health insurance coverage for people nationwide. Each underwriting company is financially responsible for its own insurance products. Primary products include individual, small employer group and short-term limited-duration health insurance products, as well as non-insurance products and consumer-choice products such as Health Savings Accounts and Health Reimbursement Arrangements. Assurant Health is headquartered in Milwaukee, Wisconsin, with operations offices in Minnesota, Idaho and Florida, as well as sales offices across the country. The Assurant Health website is assuranthealth.com.

Assurant is a premier provider of specialized insurance products and related services in North America and select worldwide markets. The four key businesses — Assurant Solutions, Assurant Specialty Property, Assurant Health and Assurant Employee Benefits — partner with clients who are leaders in their industries and build leadership positions in a number of specialty insurance market segments. Assurant provides debt protection administration; credit-related insurance; warranties and service contracts; pre-funded funeral insurance; solar project insurance; lender-placed homeowners insurance; manufactured housing homeowners insurance; individual health and small employer group health insurance; group dental insurance; group disability insurance; and group life insurance.

Assurant, a Fortune 500 company and a member of the S&P 500, is traded on the New York Stock Exchange under the symbol AIZ. Assurant has approximately \$27 billion in assets and \$8 billion in annual revenue. Assurant has approximately 14,000 employees worldwide and is headquartered in New York's financial district. www.assurant.com.

Not for use in Massachusetts.

Stop loss Policy Forms: 28844 and TSLP.POL.XX

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