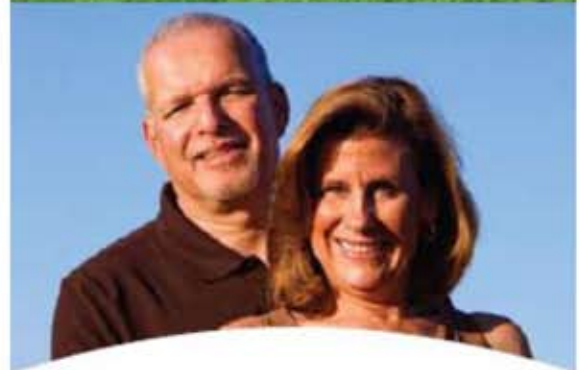


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**ternian** ●●  
Insurance Group

Direct Voluntary Benefits:

- HealthSelect
- HealthValu
- CriticalMed Plans
- PatientPlus Card
- Ancillary Plans



Marketed By:

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**ace usa**

Insurance is underwritten by ACE American Insurance Company

Term life insurance is underwritten by Combined Insurance Company of America, part of the ACE Group of Companies.

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***Underwritten By***

ACE American Insurance Company

Term life insurance is underwritten by Combined Insurance Company of America, part of the ACE Group of Companies

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5233 Shasta Way, Ste. 100  
Marietta, GA 30062  
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info@WiseBenefits.com

***Claims Administered By:***

Administrative Concepts, Inc.  
994 Old Eagle School Rd., Ste. 1005  
Wayne, PA 19087

This proposal is not a contract of insurance. This proposal provides only brief descriptions of the coverage available. The policies contain reductions, limitations, exclusions and termination provisions. Full details of the coverage are contained in policy that will be issued to you, once we receive your acceptance. If there are any conflicts between this proposal and the policy issued to you, the policy shall govern. The policy is governed by the laws in the state in which it is delivered. Certain terms or provisions may be different if required by the laws of that state. This proposal is valid for 90 days from the date of the proposal. If you accept the terms of this proposal, coverage is subject to ACE's determination that trade or economic sanctions or regulations do not prohibit us from binding coverage. Ternian Insurance Group reserves the right to extend or withdraw this proposal at any time by providing written notice to the requestor of this proposal. For agent/broker use only. Not for individual solicitations.

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### IMPORTANT NOTICE

Insurance policies providing certain health insurance coverage issued or renewed on or after September 23, 2010 are required to comply with all applicable requirements of the Patient Protection and Affordable Care Act (PPACA). However, there are a number of insurance coverages that are specifically exempt from the requirements of PPACA (See § 2791 of the Public Health Services Act).

ACE maintains that the Limited Accident and Sickness Plan presented in this proposal is “fixed indemnity insurance”, and is therefore, exempt from the requirements of PPACA.

ACE continues to monitor healthcare reform laws and regulations to determine any impact on its products. Should there be any change that requires modification of this plan, we reserve the right to change the plan and rates accordingly.

Please understand that this is not intended as legal advice. For legal advice on PPACA, please consult with your own legal counsel or tax advisor directly.

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# I. Introduction

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## **About Ternian Insurance Group**

Our company name may be new to you, but our footprint in the voluntary marketplace is not.

Ternian Insurance Group LLC. is a Phoenix-based, niche-insurance program manager and national marketing agency. The founders of Ternian have dedicated their careers to over 20 years in the limited-benefit medical plan marketplace. As the former leadership team at StarHRG\*, they helped to pioneer the concept of limited-benefit medical insurance plans and built the Starbridge® programs into one of the leading and premier providers in the industry. Their reach helped thousands of employers and millions of individuals obtain quality, affordable coverage.

Ternian was founded to push the expansion of the health care consumerism movement into the voluntary benefits marketplace, realizing that **one size does NOT fit all** for the insurance coverage needs of uninsured and underinsured individuals. Ternian's core products are fixed indemnity medical plans which provide limited coverage for accidents, illness, and specified disease. But by exposing coverage gaps across the spectrum of existing products and services, Ternian also looks to complement and enhance existing benefit plans in the voluntary marketplace through an expanded product portfolio and expanded target markets. The focus is to provide uninsured and underinsured employees with more choice, consumer-driven information, and a broader range of value-based, quality, affordable options.

Ternian will drive value in its products and services by:

- Understanding the real needs of uninsured and underinsured individuals
- Providing unique choices and alternatives to meet their different lifestyle needs
- Considering income restraints and affordability
- Insuring benefit levels provide real value for their hard earned dollar
- Giving access to relevant and meaningful consumer information.
- Offering a direct delivery system for simplified, online administration.

These are the building blocks and the foundation for the value-driven, Direct Voluntary Benefits developed and offered by Ternian.

Ternian Insurance Group is an independent, national product distributor and administrator for ACE USA Accident & Health.

Thank you for the opportunity to provide a benefit proposal of our products and service capabilities. **Additional plan design options and rate tiers are available upon request.** We look forward to discussing our programs in more detail with you.

\*Ternian Insurance Group LLC., its founders, employees and products are in no way affiliated with StarHRG, Starbridge or CIGNA Voluntary. Starbridge is a registered trademark of the CIGNA Corporation, Philadelphia Pa.

# I. Introduction

## • Direct Voluntary Benefits designed to complement, enhance, and fill-in the gaps in limited-medical (mini-med) offerings

45 million Americans are uninsured. Until the individual mandated insurance plans are available in 2014, the marketplace will continue to provide affordable and meaningful options for the uninsured. Ternian Insurance Group's core product offering is a fixed indemnity medical plan which provides limited coverage for accidents, illness, and specified disease. Within the current LBMP market, most groups experience on average, less than 10% of eligible employees enroll in a limited-benefit medical plan. Some of the reasons associated with the low employee participation may be: cost, lack of catastrophic or comprehensive coverage, or insurance coverage through a spouse. Ternian realizes that different lifestyles and various points in an individual's lifecycle require different solutions. **In addition to the fixed indemnity limited medical plan, Ternian is proposing alternative voluntary medical options to meet the different needs of "The Other 90%" of uninsured employees.**

### When one size does NOT fit all

Ternian's Direct Voluntary Benefits enhance fixed indemnity medical plan offerings. Enrollment in voluntary medical plans can be expanded by offering Ternian's package of products. Ternian addresses the different coverage-level needs of employees who are currently interested in more than just a fixed indemnity medical plan. The complementary products give employees choice - the choice to select the medical coverage that will best meet their needs.

#### Ternian's Direct Voluntary Benefits package includes:

- **HealthSelect** – first-dollar fixed-indemnity "mini-med" coverage for basic, minor-medical expenses
- **HealthValu** – affordable "mid-level medical" fixed indemnity coverage option
- **CriticalMed Plan** – standalone or buy-up fixed indemnity option for a set-limit of \$15-50k catastrophic care
- **PatientPlus Card** – low-cost discount health savings card
- **Ancillary Plans** – dental, vision, AD&D, STD, Term Life
- **Value Added Services** – PPO discounts, telemedicine, EAP, nursline, online tools

### Affordable medical plans designed to meet the diverse needs of individuals

#### **HealthSelect:**

Mini-med for entry-level workers. Help with basic, minor-medical expenses. Usually offered on a voluntary basis.



#### **CriticalMed Plan:**

Buy-up option for employees looking to add a higher level of coverage. Or standalone plan for "young and invincible". Voluntary.



#### **HealthValu:**

Mid-level medical for classes of higher-level employees. Basic and catastrophic coverage up to \$100k. Alternative to HDHP. Contribution NOT required.



#### **DeductibleAssist:**

For employees covered on HDHPs through a spouse. Coverage to help meet deductibles and coinsurance expenses. Voluntary.

# I. Introduction

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## **HealthValu: “Mid-Level Medical” plans designed to provide an affordable alternative for employer groups**

U.S. businesses are struggling in today’s economy and the increasing cost of healthcare is adding to the dilemma. Many employers are being forced to make difficult decisions and reduce their employee benefit expenses. Some of the cost-saving measures being utilized are to eliminate coverage by “carving-out” classes of employees from the company’s core health insurance plan, or to discontinue the core plan altogether. Ternian offers an alternative option with our HealthValu mid-level medical plan. Looking across the spectrum of medical plans in the marketplace, Ternian’s HealthValu plan provides accident and fixed indemnity coverage levels that are in-between a mini-med and major medical plan. It can allow companies to continue to help their employees with the most common medical expenses, at a much more affordable cost.

### **When one size does NOT fit all**

Ternian’s HealthValu plan is a fixed indemnity medical plan which provides limited coverage for accidents, illness, and specified disease. It is designed for employees who are not covered by a traditional medical plan. The monthly premium is less than a major medical plan because it provides fixed indemnity benefits for commonly occurring basic health expenses and may not cover all the expenses resulting from a catastrophic medical occurrence. Plans provide fixed indemnity coverage for doctor visits and copay prescriptions, but also help with set-limits of catastrophic coverage from \$25-\$100,000 per year.

### **HealthValu Plan Highlights:**

- \$10 Office Visit Pre-pay <sup>(1,2)</sup>
- Coverage for Lab, X-rays, Ultrasound, CT, PET, and MRI
- Outpatient medical expenses for accidents, illness, and wellness
- Inpatient medical expenses covered up to customized plan choice of \$25,000-100,000 per year
- Additional benefits for inpatient and outpatient surgery and anesthesia
- \$10/20 Prescription drug copays covered up to customized plan choice of \$1,000-2,000 per year
- Value added services<sup>(2)</sup>: PHCS PPO, Teladoc consults, EAP/Nurseline
- Ancillary Plans available – dental, vision, disability, and life/AD&D

### **Affordable medical plans designed to meet the diverse needs of individuals**

Ternian creates innovative, flexible products that offer generous insurance limits and broad range coverage at an affordable cost. Our leading-edge products are designed to address the special risks of the 21<sup>st</sup> century workplace and the demands of today’s active lifestyles, including advanced features and options that provide greater insurance protection for employees and their families.

The bottom line: Ternian Insurance Group meets the unique needs of employees and makes offering voluntary benefit plans easier, more affordable and more effective. Ternian helps organizations to build better benefit packages and remain employers of choice.

<sup>(1)</sup> The office visit pre-pay is a service through the PHCS PPO Network

<sup>(2)</sup> This service is not insurance and is not provided by ACE American Insurance Company

## II. Benefit and Rate Summary



A fixed indemnity medical plan which provides limited coverage for accidents, illness, and specified disease to help cover basic, minor-medical expenses.

Ternian HealthSelect Plans	Economy	Basic	Choice	Max
<b>INPATIENT</b>				
Hospital Confinement				
- Day 1 benefit amount	\$500 x 1 day	\$1,000 x 1 day	\$1,500 x 1 day	\$2,500 x 1 day
- Days 2+ benefit amount per day	\$500 x 5 days	\$500 x 5 days	\$750 x 10 days	\$1,000 x 10 days
Surgery benefit amount (incl. maternity) per surgery	N/A	\$1,000 x 1 surgery	\$1,500 x 1 surgery	\$2,500 x 1 surgery
- Anesthesia benefit amount – per surgery	N/A	\$250 x 1 surgery	\$375 x 1 surgery	\$625 x 1 surgery
<b>OUTPATIENT</b>				
Physician Office Visit Pre-pay <sup>(1,2)</sup>	\$10	\$10	\$10	\$10
- Benefit amount per visit	\$65 x 5 visits	\$65 x 10 visits	\$100 x 10 visits	\$100 x 10 visits
- Wellness benefit amount per visit	N/A	N/A	\$150 x 1 visit	\$150 x 1 visit
- Well child care (up to age 4) benefit amount per visit	N/A	N/A	\$100 x 4 visits	\$100 x 4 visits
Accident maximum benefit amount per year up to	\$500 per year	\$1,000 per year	\$2,500 per year	\$5,000 per year
- Benefit % payable	80%	80%	80%	80%
- Deductible per Accident	\$100	\$0	\$0	\$0
Emergency Room (sickness) benefit amount per visit	\$100 x 2 visits	\$200 x 2 visits	\$500 x 2 visits	\$750 x 2 visits
Surgery benefit amount per surgery	N/A	N/A	\$750 x 1 surgery	\$1,250 x 1 surgery
- Anesthesia benefit amount – per surgery	N/A	N/A	\$188 x 1 surgery	\$313 x 1 surgery
Diagnostic, X-ray, Lab – benefit amount per test				
- Class I: Laboratory – Blood work, CMP, Lipid Panel	\$25 x 4 tests	\$35 x 4 tests	\$50 x 4 tests	\$50 x 4 tests
- Class II: X-ray, ECG, Pap/PSA tests, all other diagnostic	\$50 x 2 tests	\$75 x 2 tests	\$100 x 2 tests	\$125 x 2 tests
- Class III: Ultrasound, Mammogram	\$125 x 1 test	\$150 x 1 test	\$175 x 1 test	\$200 x 1 test
- Class IV: CT, PET, MRI	\$250 x 1 test	\$500 x 1 test	\$750 x 1 test	\$1000 x 1 test
Prescription benefit maximum per year	Discount Only <sup>(2)</sup>	Discount Only <sup>(2)</sup>	\$300 per year	\$600 per year
- Retail – Generic RX copay			\$15	\$15
- Retail – Preferred Brand RX copay			\$30	\$30
- Mail Order – Generic RX copay			\$35	\$35
- Mail Order – Preferred Brand RX copay			\$80	\$80
<b>LIFE/AD&amp;D/CRITICAL ILLNESS</b>				
Critical Illness benefit amount payable for 10 conditions	N/A	N/A	\$1,000	\$1,500
Accidental Death & Dismemberment benefit amount*	\$5/5/1,000	\$10/5/1,000	\$15/5/1,000	\$25/5/1,000
Term Life Insurance <sup>(3)</sup> benefit amount*	\$5/2/1,000	\$5/2/1,000	\$5/2/1,000	\$5/2/1,000
* Benefit amounts listed are for: Employee/Spouse/Child(ren)				
<b>OTHER SERVICES<sup>(2)</sup></b>				
Teladoc: Telephonic Doctor Office Visits - \$38 Fee	Yes	Yes	Yes	Yes
Care24: EAP and Nurseline	Yes	Yes	Yes	Yes
PHCS PPO Discounts	Yes	Yes	Yes	Yes

<sup>(1)</sup> The office visit pre-pay is a service through the PHCS PPO Networks. <sup>(2)</sup> This service is not insurance and is not provided by ACE American Insurance Company.

<sup>(3)</sup> Term Life is underwritten by Combined Insurance Company of America, part of the ACE Group of Companies.

## II. Benefit and Rate Summary



A fixed indemnity medical plan which provides limited coverage for accidents, illness, and specified disease to provide an affordable "Middle-Medical" solution. Benefit levels are in-between a LBMP and a comprehensive major medical plan.

Ternian HealthValu Plans	Basic25	Advantage100
<b>INPATIENT</b>		
Hospital Confinement		
- Day 1 benefit amount	\$2,500 x 1 day	\$5,000 x 1 day
- Days 2+ benefit amount per day	\$1,500 x 20 days	\$4,000 x 20 days
- Days 1+ additional ICU benefit amount per day	\$1,000 x 5 days	\$3,000 x 5 days
Surgery benefit amount (incl. maternity) per surgery	\$5,000 x 1 surgery	\$5,000 x 2 surgeries
- Anesthesia benefit amount – per surgery	\$1,250 x 1 surgery	\$1,250 x 1 surgery
<b>OUTPATIENT</b>		
Physician Office Visit Pre-pay <sup>(1,2)</sup>	\$10	\$10
- Benefit amount per visit	\$100 x 20 visits	\$125 x 20 visits
- Wellness benefit amount per visit	\$250 x 1 visit	\$250 x 1 visit
- Well child care (up to age 4) benefit amount per visit	\$150 x 4 visits	\$150 x 4 visits
Accident maximum benefit amount per year up to	\$25,000 per year	\$25,000 per year
- Benefit % payable	80%	80%
- Deductible per Accident	\$0	\$0
Emergency Room (sickness) benefit amount per visit	\$1,000 x 2 visits	\$1,000 x 2 visits
Surgery benefit amount per surgery	\$2,500 x 1 surgery	\$2,500 x 2 surgeries
- Anesthesia benefit amount – per surgery	\$625 x 1 surgery	\$625 x 1 surgery
Diagnostic, X-ray, Lab – benefit amount per test		
- Class I: Laboratory – Blood work, CMP, Lipid Panel	\$50 x 6 tests	\$75 x 6 tests
- Class II: X-ray, ECG, Pap/PSA tests, all other diagnostic	\$125 x 4 tests	\$150 x 4 tests
- Class III: Ultrasound, Mammogram	\$250 x 2 tests	\$300 x 2 tests
- Class IV: CT, PET, MRI	\$1,250 x 1 test	\$1,500 x 1 test
Prescription benefit maximum per year	\$1,000 per year	\$2,000 per year
- Retail – Generic RX copay	\$10	\$10
- Retail – Preferred Brand RX copay	\$20	\$20
- Mail Order – Generic RX copay	\$25	\$25
- Mail Order – Preferred Brand RX copay	\$50	\$50
<b>LIFE/AD&amp;D/CRITICAL ILLNESS</b>		
Critical Illness benefit amount payable for 10 conditions	\$25,000	\$25,000
Accidental Death & Dismemberment benefit amount*	\$25/10/1,000	\$25/10/1,000
Term Life Insurance <sup>(3)</sup> benefit amount*	\$5/2/1,000	\$5/2/1,000
* Benefit amounts listed are for: Employee/Spouse/Child(ren)		
<b>OTHER SERVICES</b> <sup>(2)</sup>		
Teladoc: Telephonic Doctor Office Visits - \$38 Fee	Yes	Yes
Care24: EAP and Nurseline	Yes	Yes
PHCS PPO Discounts	Yes	Yes

<sup>(1)</sup> The office visit pre-pay is a service through the PHCS PPO Network <sup>(2)</sup>This service is not insurance and is not provided by ACE American Insurance Company.

<sup>(3)</sup>Term Life is underwritten by Combined Insurance Company of America, part of the ACE Group of Companies.

## II. Benefit and Rate Summary

### **CriticalMed Plan**

A buy-up option for employees enrolled in HealthSelect that are looking for enhanced coverage for catastrophic events. OR, a stand-alone option (instead of HealthSelect) for employees who are willing to self-pay their day-to-day medical expenses because they are more concerned about major events. Cannot be offered as a buy-up option to HealthValu.

<b>Ternian CriticalMed Plans</b>	<b>CriticalMed \$15,000</b>	<b>CriticalMed \$25,000</b>	<b>CriticalMed \$50,000</b>
<b>INPATIENT</b> Hospital Confinement benefit amount per day Additional ICU benefit amount per day	\$1,000 x 10 days \$1,000 x 5 days	\$1,500 x 10 days \$1,000 x 10 days	\$2,000 x 20 days \$1,000 x 10 days
<b>OUTPATIENT Accident Only Coverage</b> Benefit Maximum, per Year up to - Benefit % payable - Deductible per Year	\$15,000 80% \$1,500	\$25,000 80% \$2,500	\$50,000 80% \$5,000
Accidental Death & Dismemberment	\$15,000 Emp \$5,000 Sp \$1,000 Ch	\$25,000 Emp \$10,000 Sp \$1,000 Ch	\$50,000 Emp \$10,000 Sp \$1,000 Ch
<b>CRITICAL ILLNESS</b> Benefit Maximum - Payable for 10 conditions: Cancer, Heart Attack, Renal Failure, Stroke, Major Organ Transplant, Multiple Sclerosis, Coronary Artery Bypass Surgery, Alzheimer's, ALS, Terminal Illness.	\$15,000	\$25,000	\$50,000
<b>OTHER SERVICES <sup>(1)</sup></b> Care24: EAP and Nurseline PHCS PPO Discounts	Yes Yes	Yes Yes	Yes Yes

<sup>(1)</sup>These services are not insurance and is not provided by ACE

## II. Benefit and Rate Summary

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### **PatientPlus Card**

*A low-cost healthcare option that provides a discount medical card designed for employees who cannot afford, or are just not interested in the HealthSelect and CriticalMed insurance plans.*

The PatientPlus Card offers these valuable features:

- Know physician and prescription prices before you go
- Receive 10-40% savings on:

1. **Galaxy Health Network**

400,000 Physicians and Specialists  
50,000 Hospitals and Facilities

2. **ScriptSave**

53,000 Pharmacies

3. **Coast to Coast Vision**

12,000 Vision Care Providers

4. **Aetna Dental Access**

71,000 Dentists

- **OptumHealth:** Care24 Nurseline / EAP
- **DoctorNavigator** physician price comparison tools
- Review patient satisfaction ratings by **DrScore**
- Physician and Hospital quality information
- Medical condition research
- Patient advocacy resources

***THE PATIENTPLUS CARD IS NOT INSURANCE and is not provided by ACE American Insurance Company.***

## II. Benefit and Rate Summary

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### Ancillary Plans

A variety of ancillary insurance plan options to round-out the Direct Voluntary Benefits offering.

#### 1. DentalPlan

- \$1,000/Plan Year (Lifetime maximums of \$500 Periodontics and \$500 Orthodontics)
- No deductibles. Schedule of benefits plan with indemnity reimbursement per procedure.
- No waiting periods for Preventive, Diagnostic, Minor Restorative, and General Anesthesia.
- 12 month waiting period on Major Restorative, Periodontics, Oral Surgery, and Orthodontia.
- Use any dentist, but save 10-50% with Careington discount dental provider network (not provided by ACE American Insurance Company).

#### 2. Vision Indemnity Benefit

- \$35 examination benefit/Plan Year; \$75 materials benefit every two Plan Years
- **Company may offer vision benefit packaged with HealthSelect. Not available on a standalone basis.**

#### 3. Accidental Death & Dismemberment Benefit

- \$25,000Ee/\$12,500Sp/\$10,000Ch or \$50,000Ee/\$25,000Sp/\$20,000Ch
- Company may offer one AD&D benefit packaged with HealthSelect or as a standalone option.

#### 4. Term Life Insurance\*

- \$10,000Ee/\$5,000Sp/\$2,000 Ch or \$20,000Ee/\$10,000Sp/\$2,000 Ch
- Benefits reduced to 50% at age 70
- Dependent children eligible on the 15<sup>th</sup> day
- Company may offer one Term Life benefit packaged with HealthSelect HealthValu or as a standalone option.
- Not available to groups situs in FL.
- *\*Term Life is underwritten by Combined Insurance Company of America, part of the ACE Group of Companies.*

#### 5. Short Term Disability

- Total disability due to non-occupational accident or sickness
- Weekly benefits for up to 26 weeks of disability
- 50% of base pay, up to a maximum of \$125 per week
- Elimination period: 7 days sickness, 0 days if accident or hospitalized
- Benefits reduce by 50% at age 70
- Not available to employees that reside in CA, HI, NJ, NY, RI and PR
- *STD coverage is only available to eligible employees. There is no dependent coverage available.*

### III. Benefit Descriptions







Benefit	Description
<b>Office Visits</b>	We will pay benefits if a covered person visits a Doctor’s office for treatment, care or advice of an injury or sickness covered under the policy.
<b>Emergency Room Visits (Sickness Only)</b>	We will pay benefits for Emergency Room Visits if a covered person requires treatment or services in a Hospital emergency room for a life-threatening condition due to Sickness. Covered expenses include the attending Doctor’s charges, X-rays, laboratory procedures, use of the emergency room and supplies.
<b>Wellness Visits</b>	We will pay benefits for an annual routine examination or well child care. Covered Services include a medical history, physical examination, X-rays and laboratory tests including a Pap test, colorectal screening, prostate cancer screening, mammography and bone density screening. We will pay benefits for up to 4 well child visits up to age 4..
<b>Outpatient Laboratory Tests, Diagnostics, and X-Ray Expenses</b>	We will pay benefits for Outpatient Laboratory Tests and X-rays if a covered person is not confined in a Hospital and the tests or x-rays are ordered by a Doctor and performed by an appropriately licensed technician.
<b>Outpatient Accident Only Medical Expense Benefit</b>	We will pay benefits for medically necessary expenses that result directly from a covered accident. Initial treatment must begin within 72 hours of the accident and covered expenses must be incurred within 90 days after the accident. These benefits are subject to the Deductibles, Coinsurance Rates, Co-Payments, Benefit Periods, Benefit Maximums and other terms or limits, if any, shown in the Schedule of Benefits. Covered expenses include medical services and supplies, emergency care, ambulance expenses, treatment of an injured tooth, prescription drugs and rehabilitative braces or appliances prescribed by a doctor.
<b>Hospital Confinement Benefit</b>	We will pay benefits if a covered person is confined in a hospital because of a covered injury or illness for at least 24 consecutive hours.
<b>Surgery and Anesthesia Benefit</b>	We will pay benefits if a covered person undergoes surgery at the direction of a doctor for a covered injury or sickness. We will also pay benefits for anesthesia services for pre-operative screening and the administration of anesthesia during a surgical procedure whether on an inpatient or outpatient basis.
<b>Critical Illness</b>	Payable for 10 conditions: Cancer, Heart Attack, Renal Failure, Stroke, Major Organ Transplant, Multiple Sclerosis, Coronary Artery Bypass Surgery, Alzheimer’s, ALS, Terminal Illness. After coverage has been in effect for 90 days or more, if an employee is then diagnosed with any of the conditions listed in the schedule of benefits, we will pay the amount shown in the Schedule of Benefits for this benefit. The covered person must be under 65 years of age and survive for a period of one-hundred-eighty (180) days after diagnosis of Multiple Sclerosis. The covered person must be under 65 years of age and must survive for a period of thirty (30) days after diagnosis for any other covered illness. We will pay this benefit only once regardless of whether the covered person is diagnosed with more than one of the covered illnesses.
<b>Accidental Death and Dismemberment Benefit</b>	If a covered person suffers a loss within 365 days of a covered accident we will pay the percentage of the principal sum shown opposite that loss. If multiple losses occur, only one benefit amount, the largest, will be paid for all losses due to the same covered accident.
<b>Term Life Insurance Benefit*</b>	If an insured person dies of natural causes or as the result of a covered accident, we will pay the death benefit amount listed in the schedule of benefits. We will not pay a death benefit if an insured person dies by suicide, while sane or insane, within two years of the date his/her insurance starts.
<b>Prescription Drug Benefits</b>	We will pay benefits for expenses incurred by a covered person for the purchase of generic and preferred brand name prescription drugs from a Participating or Non-Participating Pharmacy. The co-payment must be incurred for each prescription drug or authorized refill before benefits are payable.

\*Term Life is underwritten by Combined Insurance Company of America, part of the ACE Group of Companies.

### III. Benefit Descriptions

#### HealthSelect & HealthValu

<p align="center"><b>Value-added services are included with the HealthSelect Plan.</b></p> <p align="center"><b>These services are not insurance and are not provided by ACE American Insurance Group.</b></p>	
<p><b>PPO Network Office Visit Pre-pay</b></p>	<p>Access to Network discounts at over 568,000 participating PHCS Network physicians and hospitals. Service provides members affordable access to physicians by allowing them to pay a \$10 Office Visit Pre-pay before insurance benefits are applied.</p> 
<p><b>Prescription Drug Card</b></p>	<p>With ScriptSave® members enjoy instant savings for their entire household on brand name and generic medications. Savings average 22%, with potential savings of up to 50% on brand name and generic prescription drugs at over 50,000 participating pharmacies. With Medco, members can use their card for prescription fills and refills at over 60,000 participating pharmacies for co-pay benefits that will be processed in real-time at the point-of-purchase at the pharmacy.</p> 
<p><b>Telemedicine</b></p>	<p>With Teladoc: For only a \$38 consult fee, members can receive 24/7 access to affordable healthcare via phone consultations to diagnose, recommend treatment, and write short-term, non-narcotic prescriptions.</p> 
<p><b>Nurseline and EAP</b></p>	<p>OptumHealth Care24 provides a toll-free, 24/7/365 Nurseline which provides an immediate and reliable source for non-emergency health information and confidential medical counseling. Includes 3 face-to-face counseling visits per condition.</p> 

### III. Benefit Descriptions

#### CriticalMed Plan

Benefit	Description
<b>Outpatient Accident Only Medical Expense Benefit</b>	We will pay benefits for medically necessary expenses that result directly from a covered accident. Initial treatment must begin within 72 hours of the accident and covered expenses must be incurred within 90 days after the accident. These benefits are subject to the Deductibles, Coinsurance Rates, Co-Payments, Benefit Periods, Benefit Maximums and other terms or limits, if any, shown in the Schedule of Benefits. Covered expenses include medical services and supplies, emergency care, ambulance expenses, treatment of an injured tooth, prescription drugs and rehabilitative braces or appliances prescribed by a doctor.
<b>Hospital Confinement Benefit</b>	We will pay benefits if a covered person is confined in a hospital because of a covered injury or illness for at least 24 consecutive hours.
<b>Critical Illness</b>	Payable for 10 conditions: Cancer, Heart Attack, Renal Failure, Stroke, Major Organ Transplant, Multiple Sclerosis, Coronary Artery Bypass Surgery, Alzheimer's, ALS, Terminal Illness. After coverage has been in effect for 90 days or more, if an employee is then diagnosed with any of the conditions listed in the schedule of benefits, we will pay the amount shown in the Schedule of Benefits for this benefit. The covered person must be under 65 years of age and survive for a period of one-hundred-eighty (180) days after diagnosis of Multiple Sclerosis. The covered person must be under 65 years of age and must survive for a period of thirty (30) days after diagnosis for any other covered illness. We will pay this benefit only once regardless of whether the covered person is diagnosed with more than one of the covered illnesses.
<b>Accidental Death and Dismemberment Benefit</b>	If a covered person suffers a loss within 365 days of a covered accident we will pay the percentage of the principal sum shown opposite that loss. If multiple losses occur, only one benefit amount, the largest, will be paid for all losses due to the same covered accident.
<b>Value-added services are included with the CriticalMed Plan. These services are not insurance and are not provided by ACE American Insurance Group.</b>	
<b>PPO Networks Prescription Discount Card</b>	<p>Access to Network discounts at over 568,000 participating PHCS Network physicians and hospitals. Save on brand name and generic prescription drugs at over 45,000 participating ScriptSave pharmacies.</p> <div style="text-align: center;">  </div>
<b>Nurseline and EAP</b>	<p>OptumHealth Care24 provides a toll-free, 24/7/365 Nurseline which provides an immediate and reliable source for non-emergency health information and confidential medical counseling. Includes 3 face-to-face counseling visits per condition.</p> <div style="text-align: center;">  </div>

### III. Benefit Descriptions

#### DentalPlan

Benefit	Description										
<b>Maximum Plan Year Limit</b>	\$1,000 per year										
<b>Periodontics</b>	\$500 Lifetime maximum										
<b>Orthodontics</b>	\$500 Lifetime maximum										
<b>Type 1: Preventive &amp; Diagnostic</b>	<table border="0"> <tr> <td>Oral exams, Including prophylaxis</td> <td>\$ 36</td> </tr> <tr> <td>Bitewings, per film</td> <td>\$ 5</td> </tr> <tr> <td>X-Ray, panoramic or cephalometric</td> <td>\$ 36</td> </tr> <tr> <td>Sealants / topical fluoride</td> <td>\$ 11</td> </tr> <tr> <td>Space maintainers</td> <td>\$ 108</td> </tr> </table>	Oral exams, Including prophylaxis	\$ 36	Bitewings, per film	\$ 5	X-Ray, panoramic or cephalometric	\$ 36	Sealants / topical fluoride	\$ 11	Space maintainers	\$ 108
Oral exams, Including prophylaxis	\$ 36										
Bitewings, per film	\$ 5										
X-Ray, panoramic or cephalometric	\$ 36										
Sealants / topical fluoride	\$ 11										
Space maintainers	\$ 108										
<b>Type 2: Major Restorative</b>	<table border="0"> <tr> <td>Crowns, bridges &amp; dentures</td> <td>\$ 180</td> </tr> <tr> <td>Pre-fabricated crowns</td> <td>\$ 60</td> </tr> <tr> <td>Crow build-up procedures</td> <td>\$ 48</td> </tr> </table>	Crowns, bridges & dentures	\$ 180	Pre-fabricated crowns	\$ 60	Crow build-up procedures	\$ 48				
Crowns, bridges & dentures	\$ 180										
Pre-fabricated crowns	\$ 60										
Crow build-up procedures	\$ 48										
<b>Type 3: Minor Restorative</b>	<table border="0"> <tr> <td>Fillings</td> <td>\$ 42</td> </tr> <tr> <td>Crowns, bridges &amp; denture repair</td> <td>\$ 24</td> </tr> <tr> <td>Relining or rebasing dentures</td> <td>\$ 60</td> </tr> </table>	Fillings	\$ 42	Crowns, bridges & denture repair	\$ 24	Relining or rebasing dentures	\$ 60				
Fillings	\$ 42										
Crowns, bridges & denture repair	\$ 24										
Relining or rebasing dentures	\$ 60										
<b>Type 4: Endodontics</b>	<table border="0"> <tr> <td>Root canals, apicoectomies</td> <td>\$ 192</td> </tr> <tr> <td>Root amputation</td> <td>\$ 96</td> </tr> <tr> <td>Therapeutic pulpotomy, retrograde, Fillings, apexification, hemisection</td> <td>\$48</td> </tr> </table>	Root canals, apicoectomies	\$ 192	Root amputation	\$ 96	Therapeutic pulpotomy, retrograde, Fillings, apexification, hemisection	\$48				
Root canals, apicoectomies	\$ 192										
Root amputation	\$ 96										
Therapeutic pulpotomy, retrograde, Fillings, apexification, hemisection	\$48										
<b>Type 5: Periodontics</b>	<table border="0"> <tr> <td>Annual Maximum</td> <td>\$500</td> </tr> <tr> <td>Tissue grafts or bone surgery</td> <td>\$96</td> </tr> <tr> <td>Gingivectomy (per quadrant)</td> <td>\$60</td> </tr> <tr> <td>Gingivectomy (per tooth)</td> <td>\$24</td> </tr> <tr> <td>Periodontal scaling, periodontal splinting, root planning, gingival curettage (per quadrant)</td> <td>\$36</td> </tr> </table>	Annual Maximum	\$500	Tissue grafts or bone surgery	\$96	Gingivectomy (per quadrant)	\$60	Gingivectomy (per tooth)	\$24	Periodontal scaling, periodontal splinting, root planning, gingival curettage (per quadrant)	\$36
Annual Maximum	\$500										
Tissue grafts or bone surgery	\$96										
Gingivectomy (per quadrant)	\$60										
Gingivectomy (per tooth)	\$24										
Periodontal scaling, periodontal splinting, root planning, gingival curettage (per quadrant)	\$36										
<b>Type 6: Oral Surgery</b>	<table border="0"> <tr> <td>Surgeries Level 1 (example: Removal of exostosis)</td> <td>\$120</td> </tr> <tr> <td>Surgeries Level 2 (example: Removal of impacted tooth)</td> <td>\$ 66</td> </tr> <tr> <td>Surgeries Level 3 (example: Simple extraction)</td> <td>\$36</td> </tr> </table>	Surgeries Level 1 (example: Removal of exostosis)	\$120	Surgeries Level 2 (example: Removal of impacted tooth)	\$ 66	Surgeries Level 3 (example: Simple extraction)	\$36				
Surgeries Level 1 (example: Removal of exostosis)	\$120										
Surgeries Level 2 (example: Removal of impacted tooth)	\$ 66										
Surgeries Level 3 (example: Simple extraction)	\$36										
<b>Type 7: General Anesthesia and IV</b>	<table border="0"> <tr> <td>IV, first half hour general, each additional ¼ hour general</td> <td>\$72</td> </tr> </table>	IV, first half hour general, each additional ¼ hour general	\$72								
IV, first half hour general, each additional ¼ hour general	\$72										
<b>Type 8: Orthodontia</b>	<table border="0"> <tr> <td>Per course of treatment (Lifetime Maximum)</td> <td>\$500</td> </tr> </table>	Per course of treatment (Lifetime Maximum)	\$500								
Per course of treatment (Lifetime Maximum)	\$500										
<b>Types 1 through 7:</b>	Subject to annual maximum \$1,000										
<b>Types 2, 5, 6, 8:</b>	Subject to a 12 month waiting period										

**Value-added services are included with DentalPlan. These services are not insurance and are not provided by ACE American Insurance Group:**

With the Careington Dental PPO Network, you have access to over 65,000 general dentists and specialists that have lowered their prices for our members by 10-60% off of their usual charges.



## IV. Plan Provisions

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### **Policy Structure and Issuance**

The fixed indemnity sickness and accident plans proposed in this document are not basic health insurance or major medical coverage. They provide limited coverage for accidents, illness, and specified disease. The HealthSelect, HealthValu, CriticalMed and DeductibleAssist plans are comprised of a package of group insurance policies which are issued on a separate and non-coordinating basis and include: fixed-indemnity, accident-only, and limited-scope prescription drugs.

### **Effective Date of Coverage**

For insurance paid for in part or entirely by an employee, insurance for an employee is effective on the latest of the policy effective date; the date he or she becomes eligible; the date we receive the completed enrollment form; or the date payroll deduction is authorized for this insurance. Insurance for a Dependent becomes effective on the latest of the date he or she becomes eligible; the date we receive the completed enrollment form; the date payroll deduction is authorized for this insurance; or the date the employee's coverage goes into effect. Coverage for an eligible employee or Dependent who is not in Active Service on the date insurance would otherwise be effective will not go into effect until the date he or she returns to Active Service.

### **Termination Date of Coverage**

An insured employee's coverage will end on the earlier of the date the policy terminates; the period ends for which premium is paid; or the date he or she is no longer in Active Service or no longer eligible. Coverage for a Dependent will end on the earliest of the date he or she is no longer a Dependent; the period ends for which premium is paid; or the date the employee's coverage ends.

### **Plan Year**

Benefits are payable on a Plan Year basis. A Plan Year is a consecutive 12-month period during which the employee's insurance is in force. The first Plan year begins on the effective date of the employee's insurance under the Policy and ends after 12 consecutive months. Dependents will have the same Plan Year as the employee. Coverage is limited to the specific benefit limits shown in the plan designs on the prior pages.

### **ERISA, HIPAA, and COBRA**

The proposed insurance plans are not ERISA qualified plans, not considered creditable coverage under HIPAA, but do comply with all HIPAA privacy regulations. Plans are not subject to COBRA, however the policies contain a continuation of coverage provision which will allow insured individuals and their dependents to continue coverage upon termination.

## V. Program Capabilities

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### **Value Added Services Enhance the Packaged Offering and Elevate the Consumer Experience for Employees**

Ternian understands that employees are becoming better consumers of healthcare and are looking for convenient and affordable alternatives to the standards that exist in the marketplace today. We believe that our indemnity insurance plans provide the best value for their hard earned dollar. Our non-insurance services increase that value by meeting the unique needs of the various lifestyles of employees. We make it easy to receive affordable healthcare: visit a doctor, consult a doctor for a written prescription over the phone, talk to a nurse or counselor, and receive discounts on medical expenses. The following services may be included with Ternian's indemnity insurance plans. Please review proposed plan designs for more detail. These services are not insurance and are not provided by ACE American Insurance Company.

#### **Office Visit Pre-pay**

This service provides members with affordable access to physicians. As members of the PHCS Network, members pay an up-front, \$10 Office Visit Pre-pay at the time of their service. This helps the participating provider to recognize their membership in the network and facilitates the billing process on their behalf. It also helps members to manage their out-of-pocket expenses.

#### **TelaDoc**

A lot of time goes into setting a doctor's appointment and taking time off from work or out of busy, everyday lives. And after all that, the average face-to-face time with a doctor in a traditional office visit appointment is 3-5 minutes\*. With TelaDoc, members have on-demand access to U.S. board certified and licensed doctors for telephone consultations to diagnose, recommend treatment, and write short-term, non-narcotic prescriptions. For only a \$38 consult fee, members can receive quality care from the convenience of their homes or offices, as opposed to more expensive and less productive settings like an urgent care center or emergency room. Teladoc is not designed to replace employees' primary care physicians. It simply allows them to resolve their routine medical issues at a fraction of the cost and time.

*[\*According to a Merritt Hawkins Survey, 2009]*

#### **Care24**

Ternian members are enrolled in an Employee Assistance Program and Nurseline through OptumHealth. With the Care24 program, members receive telephonic access to a Nurseline which provides an immediate and reliable source for non-emergency health information and confidential counseling for emotional and personal challenges. Consultations are provided by registered nurses and masters level counselors. Additional resources are available including legal, financial, dependent care specialists, and an audio health information library. In addition to the telephonic services, members also have access to up to 3 face-to-face counseling sessions per condition at no cost to the member.

#### **Provider Networks**

MultiPlan delivers primary PPO network access under the PHCS Network. PHCS offers access in all states to 568,000 healthcare professionals, over 4,100 hospitals and 63,000 ancillary care facilities. No matter where health plan participants live, work, and seek healthcare, they have access to the largest independent primary PPO in the nation. Our passive approach to utilizing participating providers does not reduce insurance benefits or penalize a member for seeing a non-network provider. Using a network provider will discount the cost of services rendered and help to stretch our members' insurance benefits. For members that happen to reach their insurance benefit maximums, they can continue to receive discounted prices from the network providers.

## V. Program Capabilities

**DirectWeb** is a turn-key enrollment and administrative system integrated with Ternian's Direct Voluntary Benefits offering. With plan sponsorship, group employers are provided with a customized website reflecting their company logo, company branded URL, and selected product offerings. One aspect of the proprietary web portal gives the employees the ability to enroll, educate and fulfill materials themselves, taking the burden away from HR administrators.

### Highlights of the Ternian DirectWeb administration include:

- Online, telephonic, or paper enrollment
- Custom employee web-portal for enrollment and self-service
- Online access to provider network searches and health information at [www.myternian.com](http://www.myternian.com)
- Seamless takeover of existing process for payroll deduction file EDI
- Plug-and-play non-Ternian products for integrated benefit enrollment
- Direct-bill capabilities to employee credit/debit card available
- Resource library for insurance certificates/SPDs, ID cards, plan information, forms, etc.
- Real-time eligibility system with ad-hoc enrollment and eligibility reporting
- Member service online chat and secure email
- Dedicated Account Management Team

ACME

Live Support  
ONLINE  
CLICK HERE TO TALK!

Sign In Enroll Now

No matter where you are in your life, find a plan that meets your needs.

Choose one or more of the following plans: Enroll Now > Sign In >

**HealthBasics**  
Help with basic, minor-medical expenses.  
Plans start at \$49.55 per month\*  
Choose HealthBasics for a limited-benefit health insurance plan to help with everyday medical expenses: doctor's office visits, lab/x-rays, urgent care, and prescriptions.  
Enroll Now > Learn More

**CriticalMed Plan**  
Coverage for a set-limit of catastrophic care.  
Plans start at \$46.61 per month\*  
Add CriticalMed for more comprehensive coverage. OR choose it by itself if you are looking for insurance protection against major events.  
Enroll Now > Learn More

**DeductibleAssist**  
Help to cover high-deductibles and out-of-pocket expenses.  
Plans start at \$30.05 per month\*  
If you already have health insurance on a high-deductible plan, then choose DeductibleAssist to help pay for your deductibles and co-insurance expenses.  
Enroll Now > Learn More

**Quick Quote**  
Select Type of Applicant  
 Full-Time  
 Part-Time  
 Seasonal  
Select Coverage Levels  
Select  
Enter Birth Date:  
(mm/dd/yyyy)  
Select Product:  
HealthBasics  
Select Plan:  
HealthBasics 50/200  
Quote

## V. Program Capabilities

### • Client-Focused Implementation Designed to Maximize Enrollment and Participation

Ternian offers a single point of contact through dedicated account representatives who can assist every step of the way. Our customized enrollment process is designed to minimize involvement from the employer and make it easy for individuals to expand their coverage. Our employee educational and enrollment materials and enrollment website are customized to highlight the employer's role in offering Ternian's Direct Voluntary Benefits and encourage greater participation.

#### Enrollment and Participation Strategy

Ternian Insurance Group understands the amount of effort it takes to introduce a new program to your employees. Whether you have had successes or failures on previous roll-outs, we bring experience and focus to our partnership that will gain membership.

Your Ternian Account Management Team will work with you and your broker to develop a custom participation strategy and enrollment initiatives to ensure the utmost success upon rollout. We will share proven ideas and involve your Management Team from initial implementation throughout the life of your policy. Service is of supreme importance to us – we look forward to proving our worth and establishing “partnership” versus just being another “vendor” to your company.



Each partner we work with has unique needs - styles, staffing, and product offerings vary. Based on the information you choose to provide us, we will customize a strategy which may include:

- POSTCARDS – Sent directly to each employee's home directing him or her to enrollment website.
- NEWSLETTER – Directs employees to the enrollment website and reaffirms the above.
- HARDCOPY ENROLLMENT FORM – Brochure directing employees to online and telephonic enrollment.
- EMAIL CAMPAIGN – Several emails sent to each employee with information and instructions.
- INTRANET – Posting of product offering, instructions, banners, and links on the employer's intranet.
- MAIL INSERTS/NEW EMPLOYEE MATERIALS – Company distributed or sent to employees' homes.
- GROUP PRESENTATION MATERIALS – PowerPoint, webinar, and other options available.
- OTHER – Simply inform Ternian of how you would like to communicate the offering to your employees.

Bottom Line: Ternian becomes your partner. The more contact or touch points you can provide to employees will directly determine the participation we receive. Let us know your capabilities and what you would like us to do. We will work with you to ensure success and a long-term relationship.

## V. Program Capabilities

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### *Fulfillment Materials*

All materials are customized and provided at no additional cost. We will design a custom enrollment initiative or strategy based on your feedback in order to optimize enrollment. Post-enrollment documents are available to each employee through the web portal designed for the employer. Employees can print certs/SPDs, temporary ID cards, etc. with ease.

### *Claims and Customer Service*

Administrative Concepts, Inc. (ACI), incorporated under the laws of the Commonwealth of Pennsylvania, is a Third Party Administrator primarily for Special Risk, Student Medical, Intercollegiate Sports, Limited-Benefit Medical, and International Insurance programs. As a designated claims and customer service provider for ACE USA and other national insurance company affiliations, ACI is an industry leader in providing superior services. The ACI team is accessible via national toll free telephone lines, facsimile and the internet. Claim system technology is the Trizetto (Qiclink) software package which is integrated with state of the art web technology.

#### **Sample Key Metrics Achieved:**

- 99% of calls accepted (1% dropped call rate)
- 89% of calls answered within 30 seconds
- 18 seconds average queue time
- Claims are processed (pay-pend-deny) within 10 business days

Benefits payable under the policy for losses will be paid immediately upon the company's receipt of due written proof of the loss. To ensure skillful, timely claims processing, our claims specialist team includes supervisors and examiners with the expertise to swiftly evaluate claims and the sensitivity to respond compassionately to crisis situations. We assign dedicated specialists to complex cases.

### *Enrollment Center*

Telatron Marketing Group, Inc. is a professional call center located in Erie, PA which was founded in 1985. For the past 25 years, Telatron has established itself as a trusted partner for financial institutions including national banks and brand name insurance companies. They provide a broad range of services including customer care and inbound and outbound marketing campaigns. With their leading edge technology and successful employee development programs, they are well equipped to provide outstanding service to Ternian's members and have the capacity to scale quickly as our needs require.

#### **Key Facts:**

- 600 seat call center
- 24/7 live agent enrollment
- Extensive program training and ongoing employee development
- 1:8-16 supervisor ratio
- Low turnover: 60% > 1 year, 30% > 6 years

## VI. About the Underwriting Insurance Company

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### ACE American Insurance Company

*A.M. Best Rating: A+ (Excellent)*

**ACE American Insurance Company:** As a global leader, ACE leverages its unique strengths and broad expertise to deliver specialty insurance and tailored products for clients worldwide. Following this same entrepreneurial spirit, ACE USA Accident & Health is committed to delivering innovative insurance products and continued protection for our clients, while helping to protect our insureds against the serious economic impact of sudden injury or catastrophic sickness. Our superior underwriting expertise and solid financial strength provide the competitive advantage we need to distinguish ourselves in the marketplace.

As an organization dedicated to providing client, shareholder, and employee value, ACE fosters an environment of professional excellence. It empowers its employees to deliver on the ACE promise to be creative, agile, innovative, and ethical in meeting the needs of their customers and producers.

ACE USA Accident & Health is a marketing division of ACE USA, headquartered in Philadelphia. ACE American Insurance Company, the primary ACE underwriting company for accident and health insurance in the U.S., is part of The ACE Group of Companies, headed by ACE Limited (NYSE: ACE). For more information about our products and services, please visit our Web site at [www.aceaccidentandhealth.com](http://www.aceaccidentandhealth.com).

Group Term Life insurance is underwritten by Combined Insurance Company of America, part of the ACE Group of Companies.

### *The Advantages of Doing Business with ACE*

#### **Innovation**

Our entrepreneurial business philosophy and expert industry knowledge allow us to remain flexible in finding the right solution.

#### **Superior Solutions**

We are dedicated, solution-oriented professionals able to provide quick responses and expert handling to customer needs.

#### **Global Protection**

The ACE global network can satisfy the insurance needs of companies operating worldwide.

#### **Financial Strength**

Consistently high ratings from A.M. Best and Standard & Poor's reflect our financial strength and our ability to meet our obligations to our customers.



**ace usa**

## VIII. Glossary of Terms

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The following definitions apply to the 10 payable conditions for the Critical Illness benefit:

**“Cancer”** means a malignant tumor characterized by the uncontrolled growth and spread of malignant cells and invasion of tissue. This includes Leukemia, Hodgkin’s Disease and invasive melanoma, but does not include:

1. non-invasive carcinoma in situ;
2. Kaposi’s Sarcoma or other AIDS related cancers and cancer in the presence of Human Immunodeficiency Virus (HIV);
3. Skin cancer or melanoma that is not invasive and has not exceeded .75 millimeters in depth; or
4. early Prostate cancer diagnosed as T1NOMO or equivalent staging.

A Doctor certified as an Oncologist must confirm the diagnosis in writing. No coverage is provided if any symptom or medical problem which initiated the investigation leading to a diagnosis of Cancer commenced within 90 days following the effective date of coverage. In the event of any diagnosis based on such a symptom or medical problem, insurance for that covered person will terminate, and Our sole liability with respect to this benefit will be limited to a refund of premiums paid since the effective date.

**“Heart Attack”** means the death of a portion of heart muscle as a result of inadequate blood supply to the relevant area. Diagnosis must be confirmed in writing by a Doctor who is a certified cardiologist and should be based on new electrocardiograph changes consistent with heart attack as well as an elevation in cardiac enzyme levels.

**“Renal Failure”** or **“Kidney Failure”** means end-stage renal disease due to chronic irreversible failure of both kidneys’ ability to function, requiring the covered person to undergo regular hemodialysis, peritoneal dialysis, or renal transplantation. A Doctor who is certified in Nephrology must confirm the diagnosis in writing.

**“Stroke”** means that the covered person has suffered a cerebrovascular incident, excluding transient ischemic attack (TIA), producing infarction of brain tissue due to thrombosis, hemorrhage from an intracranial vessel or embolization caused by an extracranial source. There must be evidence of measurable permanent neurological deficit persisting for 30 consecutive days, supported by evidence that the deficit is resulting from the Stroke, confirmed in writing by a Doctor who is certified as a neurologist.

**“Major Organ Transplant”** means a surgery, as the recipient, for transplantation of any of the following organs or tissues: 1) heart; 2) liver; 3) lung; 4) kidney; or 5) bone marrow.

**“Multiple Sclerosis”** means unequivocal diagnosis by a consulting Doctor who is a certified neurologist of a definite diagnosis of Multiple Sclerosis producing at least two episodes of welldefined neurological abnormalities lasting for a continuous period of at least 180 days and resulting in measurable disability. For a Covered Person diagnosed with Multiple Sclerosis, he or she must survive for a period of 180 days after diagnosis by a Doctor. The diagnosis must be supported by modern imaging techniques.

**“Coronary Artery Bypass Surgery”** means heart surgery to correct narrowing or blockage of one or more coronary arteries with bypass grafts, excluding:

- 1) non-surgical techniques such as balloon angioplasty;
- 2) laser embolectomy; and
- 3) other non-bypass techniques.

## VIII. Glossary of Terms

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**“Alzheimer’s Disease”** means a degenerative brain disease of unknown cause that is the most common form of dementia. Memory impairment is a necessary feature for the diagnosis of this type of dementia. Change in one of the following areas must also be present: language, decision-making ability, judgment, attention, and other areas of mental function and personality. It results in a profound intellectual decline characterized by dementia and personal helplessness, and is marked histologically by the degeneration of brain neurons especially in the cerebral cortex and by the presence of neurofibrillary tangles and plaques containing betaamyloid.

**“Lou Gehrig’s Disease”** means amyotrophic lateral sclerosis (ALS), a rare fatal progressive degenerative disease that affects pyramidal motor neurons and is characterized by increasing and spreading muscular disease.

**“Terminal Illness”** means a Covered Person has a prognosis of twelve months or less to live, as diagnosed by a Doctor. For the purposes of determining the existence of a Terminal Illness, We will require that the Covered Person submit the following proof:

1. a written diagnosis and prognosis by two Doctors licensed to practice in the United States; and
2. Supportive evidence satisfactory to Us, including but not limited to, radiological, histological or laboratory reports documenting the Terminal Illness.

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