



HM CARE ADVANTAGE
A LIMITED BENEFIT MEDICAL PLAN

**A Group Limited Indemnity Benefit
Medical Insurance Proposal for**

Living Wage

Proposal Number: 00004744

November 29, 2011

Presented to:
Living Wage

Presented by:
FNA

ABOUT HM INSURANCE GROUP

IT'S OUR POLICY TO PROTECT

When choosing an employee benefits carrier, many base their decision on name alone. At HM Insurance Group, a Highmark Company, we look to work with employers who want an insurance carrier deeply committed to its Worksite and Limited Benefit Medical product portfolio. We continuously create solutions to help you protect employees facing unexpected illness, injury or loss of life.

We have nearly 30 years of experience in the life and health insurance industry. Building from a foundation of strength and expertise in employee benefits, we've created a portfolio of products that deliver health risk solutions to meet a wide variety of employee insurance needs.

We greatly value our relationship with the brokers who work with you to effectively meet your business' unique needs. They are integral to your employees' satisfaction with our insurance products. Our dedicated HM Insurance Group team provides full-service support to your broker so that any questions or changes — from employee enrollment through claim submission — are handled promptly and correctly.

It's our policy to protect. We stand by that pledge by offering you dependable service and flexible health risk solutions that your employees will value.

ABOUT HM INSURANCE GROUP

HM Insurance Group's product portfolio features HM Worksite Advantage - Critical Illness, Accident, Disability Income and Term Life Insurance — and HM Care Advantage, a limited benefit medical plan. And, HM Insurance Group is a recognized leader in excess loss and reinsurance, including Employer Stop Loss, Provider Excess and HMO Reinsurance.

HM Life Insurance Company and HM Life Insurance Company of New York have an "A-" (Excellent) rating from A.M. Best Company, one of the country's oldest and most respected rating agencies.

Through its insurance companies, HM Insurance Group holds insurance licenses in 50 states and the District of Columbia and maintains sales offices across the country.

ABOUT HM CARE ADVANTAGE

HM Care Advantage, a limited benefit medical plan, is an option that employers can offer to help bridge the gaps for employees who do not have coverage, whose coverage is being reduced or who can no longer afford family coverage. Our group medical insurance plan provides a solution to help employers attract and maintain a talented workforce. HM Care Advantage pays a fixed amount for medical services. It provides group limited medical indemnity benefits; it does not provide major medical or comprehensive medical insurance.

WHAT SETS OUR PLANS APART

- Group platform: employer and/or employee contributions
- Premium rate discounts based on employer contribution level
- Complete flexibility in the design of the plan - employer selects the benefit amounts and frequency
- Benefits are guaranteed issue - no medical questions, individual underwriting or evidence of insurability
- First-dollar payments based on a Schedule of Benefits
- No overall calendar year or lifetime maximum (beyond limits shown on the Schedule of Benefits)
- No limits for pre-existing conditions
- Dependent-only coverage available (subject to applicable laws)
- Physician office visits include sick, wellness and immunizations
- Emergency room benefit may be used for accidents and illness
- Pregnancy and newborn nursery care are included
- Missed payment flexibility
- Access to provider network discounts to help lower out-of-pocket expenses for employees

ABOUT OUR PARTNER

HM Insurance Group is offering HM Care Advantage through a partnership with Key Benefit Administrators (KBA). Located in Indianapolis, IN, and Fort Mill, SC, KBA is a national leader in the administration of health and welfare benefits with more than 25 years of experience in benefits management and a focus on customer service.

KBA's supporting infrastructure and experience administering limited benefit medical plans allow them to be responsive to producers, employers and employees alike. Premium payments can be made on a weekly, bi-weekly, monthly or semi-monthly basis to fit with group payroll and system requirements. Enrollment services, via the Internet or a call center, are provided at no additional cost to the employer.

HM CARE ADVANTAGE PROPOSAL

BENEFITS & COSTS

Prepared for: Living Wage

Requested Effective Date: 01/01/2012

Date Prepared: November 29, 2011

Eligibility: All Living Wage employees and/or eligible dependents of covered employees who are regular working at least 15 hours per week.

Schedule of Benefits: The Benefit Schedule shown below illustrates the benefits being offered in this proposal. Unless otherwise noted, the benefit amounts and limits are per person per calendar year.* There is **no calendar year or lifetime maximum** beyond these limits. Certain exclusions and limitations apply; state-specific regulations may apply.

Core Benefits	30 Hr.	35 Hr.	40 Hr.
Daily In-Hospital	\$850 per Day 30 Days	\$1,000 per Day 30 Days	\$1,150 per Day 30 Days
Additional Daily Benefit for First Day of Hospital Confinement	\$850 First Day 1 Admission(s)	\$1,000 First Day 1 Admission(s)	\$1,150 First Day 1 Admission(s)
Office Visits – Physician/Licensed Practitioner	\$80 per Visit 6 Visit(s)	\$80 per Visit 8 Visit(s)	\$80 per Visit 8 Visit(s)
Inpatient Visits – Physician	\$100 per Visit 6 Visit(s)	\$100 per Visit 6 Visit(s)	\$100 per Visit 6 Visit(s)
Surgery	\$2,000 Max. per Surgery Based on Schedule 2 Surgery(ies)	\$2,500 Max. per Surgery Based on Schedule 2 Surgery(ies)	\$3,000 Max. per Surgery Based on Schedule 2 Surgery(ies)
Anesthesia	20% of Scheduled Surgical Benefit	20% of Scheduled Surgical Benefit	20% of Scheduled Surgical Benefit
Hospital Emergency Room	\$400 per Visit 1 Visit(s)	\$450 per Visit 1 Visit(s)	\$500 per Visit 1 Visit(s)
Outpatient Diagnostic Testing	\$150 per Testing Day 3 Day(s)	\$200 per Testing Day 3 Day(s)	\$250 per Testing Day 3 Day(s)
Outpatient Hospital Services	\$250 per Treatment Day 3 Days	\$300 per Treatment Day 3 Days	\$350 per Treatment Day 3 Days
Wellness Screening Test	\$100 per Test 1 Test	\$100 per Test 1 Test	\$100 per Test 1 Test
Wellness Service	\$25 per Service 1 Service	\$25 per Service 1 Service	\$50 per Service 1 Service
Ambulance Service	\$250 per Trip 1 Trip(s)	\$275 per Trip 1 Trip(s)	\$300 per Trip 1 Trip(s)
Home Health Care	\$50 per Visit 40 Visits per 12 Months	\$50 per Visit 40 Visits per 12 Months	\$50 per Visit 40 Visits per 12 Months
Benefits Required by New York State Law	See Proposal Conditions	See Proposal Conditions	See Proposal Conditions
Health Information On-Call**	Included	Included	Included
Health Information On-Line**	Included	Included	Included
Pharmacy Discount Card**	Included	Included	Included
Vision Discount**	Included	Included	Included
Complementary Wellness Discount Program**	Included	Included	Included

* Calendar year is the employer-defined benefit cycle.

** Benefits are not insured products and are not provided by HM Life Insurance Company of New York.

HM CARE ADVANTAGE PROPOSAL
BENEFITS & COSTS CONT.

Selectable Core*	30 Hr.	35 Hr.	40 Hr.
Treatment for Chemical Abuse and Dependency	Inpatient: \$850 per Day Outpatient: \$80 per Treatment Day See Proposal Conditions	Inpatient: \$1,000 per Day Outpatient: \$80 per Treatment Day See Proposal Conditions	Inpatient: \$1,150 per Day Outpatient: \$80 per Treatment Day See Proposal Conditions
Skilled Nursing Facility	\$425 per Day/60 Days	\$500 per Day/60 Days	\$575 per Day/60 Days
Hospice/End-of-Life Care	\$100 per Day See Proposal Conditions	\$100 per Day See Proposal Conditions	\$100 per Day See Proposal Conditions
Optional			
Provider Network Discounts	Included	Included	Included
Daily Intensive Care Unit	Not Selected	Not Selected	Not Selected
Dental Insurance ⁽¹⁾	Not Selected	Not Selected	Not Selected
Vision Insurance ⁽²⁾	Not Selected	Not Selected	Not Selected
Employer Service – Included with Core			
COBRA Administration	On Behalf of Employer	On Behalf of Employer	On Behalf of Employer

* These benefits are New York State mandated optional benefits that require the Policyholder to sign an acknowledgement that verifies that the benefits were either accepted or rejected. The completed "Offer of Benefits Notice" must accompany the signed Application for Group Medical Indemnity Insurance form.

⁽¹⁾ Benefit insured by Renaissance Health Insurance Company of New York.

⁽²⁾ Benefit insured by HM Life Insurance Company of New York and administered by Davis Vision.

Premium	30 Hr.		35 Hr.		40 Hr.	
	Monthly Rates		Monthly Rates		Monthly Rates	
	Employer Sponsored	Voluntary	Employer Sponsored	Voluntary	Employer Sponsored	Voluntary
Employee	\$158.59	\$175.10	\$185.60	\$205.11	\$211.87	\$234.28
Employee plus Spouse	\$302.95	\$335.14	\$355.60	\$393.64	\$406.76	\$450.50
Employee plus Child(ren)	\$303.99	\$336.18	\$356.64	\$394.68	\$407.80	\$451.54
Family	\$448.20	\$496.07	\$526.49	\$583.06	\$602.60	\$667.64
Spouse Only	\$158.59	\$175.10	\$185.60	\$205.11	\$211.87	\$234.28
Spouse plus Child(ren) Only	\$303.99	\$336.18	\$356.64	\$394.68	\$407.80	\$451.54
Child(ren) Only	\$155.46	\$171.12	\$181.10	\$199.62	\$206.03	\$227.33

The employer-sponsored rates are contingent upon the employer contributing at least 50% of the premium for the lowest priced employee-only plan.



HM CARE ADVANTAGE PROPOSAL

BENEFITS & COSTS

Prepared for: Living Wage

Requested Effective Date: 01/01/2012

Date Prepared: November 29, 2011

Eligibility: All Living Wage employees and/or eligible dependents of covered employees who are regular working at least 15 hours per week.

Schedule of Benefits: The Benefit Schedule shown below illustrates the benefits being offered in this proposal. Unless otherwise noted, the benefit amounts and limits are per person per calendar year.* There is **no calendar year or lifetime maximum** beyond these limits. Certain exclusions and limitations apply; state-specific regulations may apply.

Core Benefits	20 Hr.	25 Hr.	
Daily In-Hospital	\$500 per Day 30 Days	\$750 per Day 30 Days	
Additional Daily Benefit for First Day of Hospital Confinement	\$500 First Day 1 Admission(s)	\$750 First Day 1 Admission(s)	
Office Visits – Physician/Licensed Practitioner	\$60 per Visit 6 Visit(s)	\$60 per Visit 6 Visit(s)	
Inpatient Visits – Physician	\$60 per Visit 5 Visit(s)	\$60 per Visit 5 Visit(s)	
Surgery	\$1,500 Max. per Surgery Based on Schedule 1 Surgery(ies)	\$1,500 Max. per Surgery Based on Schedule 2 Surgery(ies)	
Anesthesia	20% of Scheduled Surgical Benefit	20% of Scheduled Surgical Benefit	
Hospital Emergency Room	\$350 per Visit 1 Visit(s)	\$350 per Visit 1 Visit(s)	
Outpatient Diagnostic Testing	\$125 per Testing Day 2 Day(s)	\$150 per Testing Day 2 Day(s)	
Outpatient Hospital Services	\$225 per Treatment Day 2 Days	\$250 per Treatment Day 2 Days	
Wellness Screening Test	\$50 per Test 1 Test	\$50 per Test 1 Test	
Wellness Service	\$25 per Service 1 Service	\$25 per Service 1 Service	
Ambulance Service	\$250 per Trip 1 Trip(s)	\$250 per Trip 1 Trip(s)	
Home Health Care	\$40 per Visit 40 Visits per 12 Months	\$40 per Visit 40 Visits per 12 Months	
Benefits Required by New York State Law	See Proposal Conditions	See Proposal Conditions	
Health Information On-Call**	Included	Included	
Health Information On-Line**	Included	Included	
Pharmacy Discount Card**	Included	Included	
Vision Discount**	Included	Included	
Complementary Wellness Discount Program**	Included	Included	

* Calendar year is the employer-defined benefit cycle.

** Benefits are not insured products and are not provided by HM Life Insurance Company of New York.

HM CARE ADVANTAGE PROPOSAL

BENEFITS & COSTS CONT.

Selectable Core*	20 Hr.	25 Hr.	Plan 3
Treatment for Chemical Abuse and Dependency	Inpatient: \$500 per Day Outpatient: \$60 per Treatment Day See Proposal Conditions	Inpatient: \$750 per Day Outpatient: \$60 per Treatment Day See Proposal Conditions	
Skilled Nursing Facility	\$250 per Day/60 Days	\$375 per Day/60 Days	
Hospice/End-of-Life Care	\$50 per Day See Proposal Conditions	\$50 per Day See Proposal Conditions	
Optional			
Provider Network Discounts	Included	Included	
Daily Intensive Care Unit	Not Selected	Not Selected	
Dental Insurance ⁽¹⁾	Not Selected	Not Selected	
Vision Insurance ⁽²⁾	Not Selected	Not Selected	
Employer Service – Included with Core			
COBRA Administration	On Behalf of Employer	On Behalf of Employer	

* These benefits are New York State mandated optional benefits that require the Policyholder to sign an acknowledgement that verifies that the benefits were either accepted or rejected. The completed "Offer of Benefits Notice" must accompany the signed Application for Group Medical Indemnity Insurance form.

⁽¹⁾ Benefit insured by Renaissance Health Insurance Company of New York.

⁽²⁾ Benefit insured by HM Life Insurance Company of New York and administered by Davis Vision.

Premium	20 Hr.		25 Hr.		Plan 3	
	Monthly Rates		Monthly Rates			
	Employer Sponsored	Voluntary	Employer Sponsored	Voluntary		
Employee	\$107.06	\$117.84	\$133.20	\$146.88		
Employee plus Spouse	\$202.41	\$223.42	\$253.38	\$280.04		
Employee plus Child(ren)	\$203.45	\$224.46	\$254.42	\$281.08		
Family	\$298.66	\$329.92	\$374.44	\$414.13		
Spouse Only	\$107.06	\$117.84	\$133.20	\$146.88		
Spouse plus Child(ren) Only	\$203.45	\$224.46	\$254.42	\$281.08		
Child(ren) Only	\$106.46	\$116.68	\$131.28	\$144.26		

The employer-sponsored rates are contingent upon the employer contributing at least 50% of the premium for the lowest priced employee-only plan.

HM CARE ADVANTAGE PROPOSAL

PROPOSAL CONDITIONS

These pages provide brief descriptions about the benefits available through HM Care Advantage and may be modified to comply with state mandated variations. **Benefit amounts and incremental allowances are based on the plan selected.**

CORE BENEFITS

Daily In-Hospital Benefit

When a covered person is confined in a licensed hospital as a result of an accident or sickness, this benefit pays the amount shown for each day the insured is confined in a hospital up to the number of days shown in the Schedule of Benefits. Charges for services rendered in a skilled nursing facility are not covered by this benefit.

Additional Daily Benefit for First Day of Hospital Confinement

When a covered person is confined for at least one full day or 24 continuous hours in a licensed hospital as a result of an accident or sickness, this benefit pays an amount equal to one day of Daily In-Hospital benefit as an additional daily benefit for the first day of confinement only for the number of admissions shown in the Schedule of Benefits. Charges for services rendered in a skilled nursing facility are not covered by this benefit.

Office Visits — Physician/Licensed Practitioner

This benefit pays the amount shown per physician's office visit as a result of a covered sickness or covered accident for the number of visits shown in the Schedule of Benefits. One visit per calendar year* may be used for a wellness visit. The benefit may be used for services rendered in a hospital emergency room, and/or an urgent care center, for a covered sickness.

Inpatient Visits — Physician

This benefit pays the amount shown for one physician visit per day while confined to a hospital for a covered sickness or accident up to the number of visits shown in the Schedule of Benefits.

Surgery

This benefit pays the scheduled amount shown in the *Schedule of Surgical Benefits* for surgical procedures performed at a licensed hospital, outpatient facility or physician's office. The maximum benefit amount that will be paid per surgery is shown on the Schedule of Benefits. If two or more procedures are performed through the same incision or operative field, the benefit paid will be for only the procedure that has the larger benefit. If more than one procedure is performed, and each is done through a separate incision or in a separate operative field, the amount payable will be the specified amount for the primary procedure plus 50% of the amount payable for all other surgical procedures performed. Additionally, there are 74 minimal surgical procedures that are eligible for a scheduled payment, but do not apply to the maximum number of procedures.

Anesthesia

The Anesthesia benefit pays 20% of the amount paid for the surgical procedure.

Hospital Emergency Room

This benefit pays the amount shown for appropriate treatment in an emergency room of a hospital or licensed facility up to the number of visits shown in the Schedule of Benefits. Additional visits to the emergency department for sickness will be covered at the Office Visits — Physician/Licensed Practitioner benefit amount. See Office Visits benefit.

* Calendar year is the employer-defined benefit cycle.

HM CARE ADVANTAGE PROPOSAL
PROPOSAL CONDITIONS *CONT.*

CORE BENEFITS *CONT.*

Outpatient Diagnostic Testing

This benefit pays the amount shown in the Schedule of Benefits per testing day for tests performed for the purpose of diagnosis of a covered accident or covered sickness while the covered person is not confined in a hospital. The benefit is limited to one per testing day, not to exceed the maximum number of testing days per calendar year shown in the Schedule of Benefits.

Outpatient Hospital Services

This benefit pays the amount shown per appropriate outpatient treatment for each day a covered person receives treatment for an injury sustained in a covered accident or treatment of a covered sickness up to the maximum number of treatment days per calendar year shown in the Schedule of Benefits.

Wellness Screening Test

This benefit pays the amount shown in the Schedule of Benefits for colonoscopy, flexible sigmoidoscopy or bone densitometry when provided as a wellness screening.

Wellness Service

This benefit pays the amount shown in the Schedule of Benefits for a Pap test, prostate-specific antigen test (PSA), mammogram or immunization.

Ambulance Service

Ground or air ambulance transportation is covered as shown in the Schedule of Benefits, provided that transportation is furnished by a licensed ambulance service to or from the nearest facility equipped to treat a covered person's accident or sickness. Air transportation is payable if medically necessary and to the nearest facility or trauma center.

Home Health Care

This benefit pays the amount shown for the care and treatment of a covered person by a home health care agency when prescribed by the covered person's physician up to the number of visits shown in the Schedule of Benefits. Covered expenses are limited to: part-time nursing care; part-time home health aide services; physical, speech and occupational therapies; nutritional counseling; and medical social services provided by a licensed social worker.

Benefits Required by New York state law

New York state law requires that benefits are paid for certain conditions/services. Benefits for these conditions/services are described in the Benefits Required by New York state law section that begins on page 13.

CORE NON-INSURANCE BENEFITS*

Health Information On-Call

All covered persons may use a toll-free telephone line to talk with health coaches who provide information and support for health-related concerns. This unlimited service is available 24/7, 365 days a year. Service is provided by Health Dialog Services Corporation.

Health Information On-Line

Covered persons may use the health information on-line service at no charge. On-line program topics include tobacco cessation, nutrition, weight management, stress management, chronic conditions, back pain, insomnia, depression, diabetes and other general health topics. This unlimited service is provided by Health Media® Inc.

HM CARE ADVANTAGE PROPOSAL
PROPOSAL CONDITIONS CONT.

CORE NON-INSURANCE BENEFITS* CONT.

Pharmacy Discount Card

Discounts of up to an average of 20% on brand and generic prescription medications are available through participating pharmacies. Service is provided by Caremark, Inc.

Vision Discount**

Covered persons must use a participating network vision provider to receive this benefit, which includes a covered eye exam every 12 months and reduced costs for other services such as frames, spectacle lenses, contact lenses and laser vision care. Information will be provided in the member's fulfillment package. Service is provided by Davis Vision.

Complementary Wellness Discount Program

Discounts of up to 30% are available on services and products such as yoga, acupuncture, massage therapy, fitness centers, vitamins/supplements, nutrition counseling, health-related magazines and more. This program offers access to a network of more than 35,000 practitioners on a national basis. Service is provided by Healthways WholeHealth Networks, Inc.

**Benefits are not insured products and are not provided by HM Life Insurance Company of New York.*

*** Replaced by insured vision coverage when optional insured coverage is selected.*

SELECTABLE CORE

The State of New York requires that the selectable core benefits below are offered to the policyholder. Upon plan selection, the policyholder must sign an acknowledgement that verifies that the benefits were either accepted or rejected.

Treatment for Chemical Abuse and Dependency

This benefit pays inpatient and outpatient benefits when a covered person receives services for the treatment of chemical abuse and dependency, including alcohol. The outpatient benefit pays the amount shown in the Schedule of Benefits for up to 60 treatment days, 20 of which may be used by family members; each family member treatment day reduces the number of allowable outpatient treatment days for this benefit. Additionally, this benefit pays the amount shown in the Schedule of Benefits for seven inpatient treatment days in a hospital or detoxification facility for detoxification and 30 inpatient treatment days for rehabilitation.

Skilled Nursing Facility

This benefit pays the amount shown for each day the insured is confined in a skilled nursing facility due to injuries received in a covered accident or due to a covered sickness, up to the number of days shown in the Schedule of Benefits. We will not pay this benefit if the covered person is confined as an inpatient in a hospital, including confinement in a hospital intensive care unit.

Hospice/End-of-Life Care

This benefit pays the amount shown for the appropriate treatment incurred by a covered person diagnosed with advanced cancer for acute care services at a licensed acute care facility specializing in the treatment of terminally ill patients. Coverage provides a lifetime maximum of 210 days of care for the covered person and five bereavement visits for the covered person's family members.

OPTIONAL BENEFITS

Provider Network Discounts

A covered person has the option to access the MultiPlan provider network. If he or she utilizes one of the participating providers (hospitals, physicians or ancillary care providers) in the network, discounts will apply that could lower out-of-pocket expenses. MultiPlan provides access to health care providers throughout the nation, including 4,500 acute care facilities, 98,000 ancillary locations, and more than 560,000 physicians. The network discounts continue to apply to the covered person's medical bills even after other benefits have been exhausted. Information on accessing the MultiPlan provider network is included in the fulfillment package that each insured employee receives. Service provided by MultiPlan.

Daily Intensive Care Unit

This benefit pays the amount shown in the Schedule of Benefits when a covered person is confined in a hospital intensive care unit, coronary care unit, neonatal intensive care unit or pediatric intensive care unit. This benefit and the Daily In-Hospital benefit together will be limited to the maximum number of days shown in the Schedule of Benefits for the Daily In-Hospital benefit. A covered person is not eligible for the Daily In-Hospital benefit on any day the Daily Intensive Care Unit benefit is payable.

Dental Insurance

This benefit pays a fixed dollar amount for preventive, restorative and major dental services based on a schedule of dental procedures/services. The range of benefit payments and the maximum annual benefit is shown on the Schedule of Benefits. There is no deductible, no waiting period or limit for pre-existing conditions. Diagnostic and preventative services are payable twice per plan year. Dental Insurance is underwritten by Renaissance Health Insurance Company of New York.

Vision Insurance

Covered persons using in-network providers will receive the maximum benefit for eligible vision care, including one eye examination, one pair of spectacle lenses or one pair of contact lenses and one set of frames during the benefit cycle as defined in the Schedule of Benefits. Reimbursement is provided for covered persons who use non-network providers. Use of the vision network providers will afford the covered person the maximum benefit allowed.

Dependent-only coverage is not available. Vision coverage is administered by Davis Vision.

Important:

- Exclusions and limitations apply and are shown at the end of this proposal.
- Any supplies, equipment or devices provided for as an additional benefit required by New York law or an accepted offer of any benefit required to be offered by New York law will be paid on the basis of the benefits described in the Schedule of Benefits and the accompanying descriptions in the Proposal Conditions.

EMPLOYER SERVICE — INCLUDED WITH CORE

COBRA Administration

All COBRA-related administration, including employee notification, billing, premium collection and carrier notification, is integrated into every plan. COBRA is administered by HM Benefits Administrators.

HM CARE ADVANTAGE PROPOSAL
PROPOSAL CONDITIONS CONT.

This proposal is issued based on the information provided to us at the time of proposal. The final plan design and rates provided, as well as acceptance of the risk, are subject to the review of all required information prior to the requested effective date. For that reason, **do not cancel any existing insurance until the application and the requested effective date of insurance are approved.**

RATE ASSUMPTIONS

- The proposal expires 90 days from the date of the proposal, unless HM Life Insurance Company of New York replaces or withdraws the proposal before the end of that 90-day period.
- A minimum of 20 employees must be insured, subject to individual state requirements, to meet the applicable participation requirement.
- No insurance will become effective unless and until your *Application for Group Insurance* has been approved.

GENERAL INFORMATION

Premium rates quoted and plan designs shown in this proposal are based on the data provided to HM Life Insurance Company of New York. Final rates and provisions will be determined on the basis of the following factors:

- Policyholder contributions – employer-sponsored discounts are based on a scale and are determined by the level of contribution
- Occupational classifications – certain restrictions apply
- Items applicable by state law
- Confirmation that any rating assumptions shown in the Plan Highlights on the Benefits & Costs page are correct
- When applicable, receipt and evaluation of all required information for HM Life Insurance Company of New York to underwrite the group properly*

** Required information may include, but is not limited to, documentation of description of the inforce plan and booklet, Select Risk Questionnaire, information on how long insured and/or the work location of employees.*

Final rates are guaranteed for 12 months from the Requested Effective Date shown on the Benefits & Costs page, except that the group's rates may change on any Premium Due Date if the number of insured employees changes by 10 percent or more, but not more than once in any 12-month period.

AGE GUIDELINES

Employees and spouses ages 18 to 69 years may enroll for coverage. Benefits terminate at age 70.

HM CARE ADVANTAGE PROPOSAL
PROPOSAL CONDITIONS CONT.

BENEFIT DESCRIPTIONS

Please do not distribute any advertising materials, including brochures, booklets or other materials describing coverage under the proposed Group Insurance plan, to any insured or prospective insured without HM Life Insurance Company of New York's prior written approval.

EMPLOYEE CLASSES

If different classes of employees have different coverage, the employee classifications must be reasonably defined on the basis of salary and/or occupation or job title. If union members are to be included, a copy of all applicable Collective Bargaining Agreements will be required. A copy of the association's by-laws and state filing or registration (if applicable) is required for association business.

PARTICIPATION

Participation Requirements	
Eligible Employees*	Minimum number of enrolled employees
51-99	20
100-199	25
200+	30 or 10%, whichever is greater

**Total number of eligible employees, less the eligible employees covered by other group plans offered by their employer or spouse's coverage, or parent's coverage.*

An employer with 51-99 eligible employees may offer up to two benefit plans; and an employer with 100 or more eligible employees may offer up to three benefit plans to its employees. Employers with more than one plan may not have more than 100% differential between two plans (i.e., if Plan 1 is \$20, then Plan 2 must be less than or equal to \$40).

Spouses and dependent children do not count toward the eligible lives or the participation requirement.

HM CARE ADVANTAGE PROPOSAL
PROPOSAL CONDITIONS *CONT.*

PERSONS TO BE INSURED

The proposed group insurance plan provides coverage for all citizens or residents of the United States or Canada who are employed by a United States employer, or are members of an association, union, franchise or trust located in the United States, and are both:

- (1) Active employees/members of the group other than full-time members of the armed forces of any country.
- (2) Scheduled to work at least 15 hours each week (or the equivalent number of hours per year, calendar quarter or similar) for the group.

Except as otherwise indicated on the Benefits & Cost page, this proposal does not include coverage for retirees, members of boards of directors, elected officials or employees/members scheduled to work less than 15 hours each week (or the equivalent number of hours per year, calendar year or similar) for the group.

Requests for coverage provided through trusts, franchises, associations and unions are subject to an additional review; the use of such entities to provide insurance may not be available in all states.

BENEFITS REQUIRED BY NEW YORK STATE LAW

New York state law requires that benefits are paid for the following conditions/services. Benefits for these conditions/services will be paid as other benefits in the Policy; unless otherwise noted, benefits are limited by the number of services shown in the Schedule of Benefits and the accompanying descriptions in the Proposal Conditions.

Maternity Care — maternity care, including hospital, surgical or medical care to the same extent that coverage is provided for sickness. The amount paid and the number of payments for this benefit is limited to the applicable benefit, i.e., Office Visits, Inpatient Visits, Daily In-Hospital, etc., as shown in the Schedule of Benefits; however, in the event that benefits are exhausted, additional benefits will be paid at the applicable benefit amount for inpatient hospital coverage for the mother and newborn for at least 48 hours after childbirth for any delivery other than a caesarean section and at least 96 hours after a caesarean section; and two additional benefits will be paid for prenatal visits or parent education.

Post Mastectomy Reconstruction — all stages of reconstructive breast surgery after a mastectomy for the breast on which the mastectomy has been performed; reconstructive breast surgery performed on a non-diseased breast to establish symmetry also is included. The amount paid and the number of payments is limited to the applicable benefit, i.e., Inpatient Visits, Daily In-Hospital, Surgery, etc., as shown in the Schedule of Benefits.

Preadmission Testing — coverage for tests performed in a hospital facility prior to scheduled surgery. This benefit is paid at the amount shown in the Schedule of Benefits for the Outpatient Diagnostic Testing and is limited by the number of allowable test days.

Second Surgical Opinion — an opinion by a qualified physician regarding the need for surgery. The amount paid and the number of payments for this benefit is limited to the applicable benefit, i.e., Office Visits or Inpatient Visits, as shown in the Schedule of Benefits.

Pre-Hospital Emergency Services — pre-hospital emergency medical services for the treatment of an emergency condition when such services are provided by an ambulance service. This benefit is paid at the amount shown in the Schedule of Benefits for the Ambulance Service benefit and is limited by the number of allowable trips.

Diabetes Supplies, Equipment and Self-Management Education — equipment and supplies for the treatment of diabetes and diabetes self-management education to ensure that persons with diabetes are educated as to the proper self-management and treatment of their diabetic condition. The amount paid and the number of payments for this benefit is limited to the applicable benefit, i.e., Office Visits, Outpatient Services, etc., as shown in the Schedule of Benefits.

Mastectomy Care — inpatient care for a person under a lymph node dissection or a lumpectomy for the treatment of breast cancer or a mastectomy; includes prosthesis and physical complications for all stages of mastectomy, including lymphomas. The amount paid and the number of payments for this benefit is limited to the applicable benefit, i.e., Inpatient Visits, Daily In-Hospital, Surgery, etc., as shown in the Schedule of Benefits.

Second Medical Opinion for Cancer Diagnosis — an opinion by an appropriate specialist, including but not limited to a specialist affiliated with a specialty care center, for the treatment of cancer in the event of a positive or negative diagnosis of cancer or a recurrence of cancer or a recommendation of a course of treatment. The amount paid and the number of payments for this benefit is limited to the applicable benefit, i.e., Office Visits, Inpatient Visits, Outpatient Diagnostic Testing, etc., as shown in the Schedule of Benefits.

HM CARE ADVANTAGE PROPOSAL
PROPOSAL CONDITIONS *CONT.*

BENEFITS REQUIRED BY NEW YORK STATE LAW *CONT.*

Medical Conditions Leading to Infertility — hospital, surgical and medical care for diagnosis and treatment of correctable medical conditions otherwise covered by the policy solely because the medical condition results in infertility. The amount paid and the number of payments for this benefit is limited to the applicable benefit, i.e., Office Visits, Inpatient Visits, Daily In-Hospital, Surgery, etc., as shown in the Schedule of Benefits.

Mental/Nervous Conditions — diagnosis and treatment. This benefit will provide up to 30 inpatient treatment days, and 20 outpatient visits, three of which can be used for psychiatric emergency visits. Inpatient treatment days will be paid at the Daily In-Hospital amount, and outpatient visits will be paid at the Office Visits amount shown in the Schedule of Benefits. This benefit is paid regardless of the number of available in-hospital days or office visits.

Contraceptive Drugs and Devices — drugs and devices, including generic equivalents, approved by the Food and Drug Administration (FDA). This benefit is paid the same as the Office Visits benefit when the drugs or devices are provided by a physician and is limited by the number of allowable visits.

Mammography Screening — if recommended by a physician, a mammogram at any age for a person with prior history of breast cancer or who has a first degree relative with a prior history of breast cancer; single baseline mammogram for persons aged 35 through 39 inclusive; annual mammogram for persons 40 and older. This benefit is paid at the amount shown in the Schedule of Benefits for the Wellness Service, and it is paid regardless of the number of available services.

Prostate Cancer Screening — standard diagnostic test, digital rectal examination and a prostate-specific antigen (PSA) test at any age for men having a prior history of prostate cancer; annual examination including a digital rectal examination and a PSA test for men age 50 and over who are asymptomatic and for men age 40 and over with a family history of prostate cancer or other prostate cancer risk factors. This benefit is paid at the amount shown in the Schedule of Benefits for the Outpatient Diagnostic Testing, and it is paid regardless of the number of available testing days.

Cancer Drugs Not Approved by the FDA — for the treatment of a type of cancer for which the drug is recognized for treatment of a specific type of cancer for which the drug has been prescribed in one of the following reference compendia: The American Medical Association Drug Evaluations, The American Hospital Formulary Service Drug Information, The United States Pharmacopeia Drug Information or recommended by review article or editorial comment in a major peer reviewed professional journal. The amount paid and the number of payments for this benefit is limited to the applicable benefit, i.e., Office Visits, Inpatient Visits, Outpatient Hospital Services, etc., as shown in the Schedule of Benefits.

Cervical Cytology Screening — annual cervical cancer screening (Pap test) for women 18 years of age and older. This benefit is paid at the amount shown in the Schedule of Benefits for the Outpatient Diagnostic Testing and the Office Visits benefits and it is paid regardless of the number of available testing days or office visits.

Chiropractic Care — care provided by a New York State licensed practitioner for the purpose of removing nerve interference, and the effects thereof, where such interferences are the result of or related to distortion, misalignment or subluxation of or in the vertebral column. The amount paid and the number of payments for this benefit is limited to the applicable benefit, i.e., Office Visits or Inpatient Visits, as shown in the Schedule of Benefits.

PROPOSAL CONDITIONS *CONT.*

BENEFITS REQUIRED BY NEW YORK STATE LAW *CONT.*

Experimental or Investigational Treatment if Required by Law — The amount paid and the number of payments is limited to the applicable benefit, i.e., Office Visits, Inpatient Visits, Outpatient Hospital Services, etc., as shown in the Schedule of Benefits.

Preventive and Primary Care Services — an initial hospital check-up, well-child visits and necessary immunizations from birth to age 19. The amount paid and the number of payments for this benefit is limited to the applicable benefit, i.e., Office Visits, Inpatient Visits, Daily In-Hospital, etc., as shown in the Schedule of Benefits. After 31 days, the child(ren) must be enrolled for this benefit to continue to be payable.

MEDICAL LIMITATIONS AND EXCLUSIONS

The following will not be Covered Expenses under this Indemnity Medical Benefit unless specifically provided elsewhere in the Policy:

- Treatment that is solely for the purpose of rest care or custodial care and any associated transportation
- Cosmetic surgery;
This exclusion does not apply to:
 - Cosmetic surgery resulting from an accident;
 - Reconstructive surgery incidental to or following surgery resulting from trauma, infection or other diseases of the involved part;
 - Reconstructive surgery because of a congenital defect or anomaly that results in a functional defect of a covered dependent child;
 - With respect to a mastectomy:
 - All stages of reconstruction of the breast on which the mastectomy has been performed;
 - Surgery and reconstruction of the other breast to produce a symmetrical appearance; and
 - Treatment of physical complications for all stages of the mastectomy, including lymphedema;

Coverage and determinations with respect to cosmetic surgery are subject to utilization review and external appeal requirements of New York Law.

- Routine eye examinations or fitting of glasses or contact lenses;
- Hearing examinations or fitting of hearing aids;
- Dental examinations or dental care other than expenses resulting from a Covered Accident within 12 months of the Covered Accident's occurrence and other than dental care or treatment necessary due to congenital disease or anomaly;
- Suicide or any attempt thereof or any intentionally self-inflicted injury or Sickness, unless as a result of a medical condition or an act of domestic violence;
- Participation in a riot or insurrection;
- Participation in a felony or assault;
- Air travel, except:
 - As a fare-paying passenger on a commercial airline on a regularly scheduled route; or
 - On a charter flight operated by a scheduled airline;
- An act of war, whether declared or undeclared, or while performing police service in the Armed Forces or units auxiliary thereto;
- An accident or sickness arising out of and in the course of any occupation for compensation, wage or profit or expenses which are provided under Workers' Compensation, Occupational Disease or similar law;
- Any treatment received or expenses incurred during a period of time that insurance for a Covered Person is not in force;
- Any treatment received or expenses incurred after this Policy has terminated;
- Any service, supply or treatment that is not provided by or at the direction of a Physician, or is inconsistent with standards of medical practice for the applicable condition;

MEDICAL LIMITATIONS AND EXCLUSIONS (*Cont.*)

- Treatment of any accident or sickness outside the United States, including its possessions or territories, or the countries of Mexico or Canada.
- Services, supplies or treatment not considered Medically Necessary even if ordered by a Physician;
- Benefits for services or treatment rendered by any person who is:
 - Employed or retained by the Policyholder;
 - Living in the Covered Person's household;
 - A parent, sibling, spouse or child of a Covered Employee or of His spouse; or
 - A Covered Person treating himself.

DENTAL LIMITATIONS AND EXCLUSIONS

Limitations

The following limitations apply under the Policy, unless otherwise specified in the Schedule of Benefits in the member's Outline of Coverage.

- Renaissance's obligation for payment of *Dental Expense Benefits* ends on the last day of the month in which coverage is terminated under the Policy.
- When services in progress are interrupted and completed later by another Dentist, Renaissance will review the claim to determine the amount of payment, if any, to each Dentist.
- Care terminated due to the death of a Covered Person will be paid to the limit of Renaissance's liability for the services completed or in progress.
- The Maximum Benefit payable in any one Plan Year will be limited to the amount specified in the Schedule of Benefits in the member's Outline of Coverage for the plan selected.
- Processing Guidelines may limit payment. Processing Guidelines are available upon request.

Exclusions

Payment will not be made for the following expenses, procedures and services, and all charges for the same will be the responsibility of the Covered Person, unless otherwise specified in the Schedule of Benefits in the member's Outline of Coverage.

- Services for injuries or conditions paid pursuant to Workers' Compensation or Employer's Liability laws.
- Benefits or services that are received from any government agency, political subdivision, community agency, foundation, or similar entity. NOTE: This provision does not apply to any programs provided under Title XIX Social Security Act, that is, Medicaid.
- Services or appliances started prior to the date the person became eligible under the Policy.
- Charges for failure to keep a scheduled visit with the Dentist.
- Charges for completion of forms or submission of claims.
- Services for which no valid dental need can be demonstrated, that are specialized techniques, or that are investigational in nature as determined by the standards of generally accepted dental practice.
- Treatment by other than a Dentist, except for services performed by a licensed dental hygienist under the scope of his or her license.
- Those expenses, procedures and services excluded by Renaissance current policies and procedures, including the Processing Guidelines. Processing Guidelines are available upon request.
- Services or supplies for which no charge is made, for which the patient is not legally obligated to pay or for which no charge would be made in the absence of coverage.
- Services or supplies received as a result of dental disease, defect, or injury due to an act of war, declared or undeclared.
- Services that are generally covered under a hospital, surgical/medical, or prescription drug program.
- Services that are not within the classes of Benefits selected by the Policyholder and that are not described in the Policy.
- Charges for any services or supplies for which a procedure code is not specifically listed in the Schedule of Benefits in the member's Outline of Coverage.

HM CARE ADVANTAGE PROPOSAL
PROPOSAL CONDITIONS



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HM Care Advantage is an HM Life Insurance Company of New York product administered by Key Benefit Administrators (KBA). The medical portion of the product provides group limited medical indemnity benefits; it does not provide major medical or comprehensive medical insurance. Based on the plan selected, Medical and Vision coverages are underwritten by HM Life Insurance Company of New York, New York, NY, under policy form series HM407, HL902 or similar. Dental coverage is underwritten by Renaissance Health Insurance Company of New York, New York, NY, under policy form series DT-300A-NY. Administrative and/or customer support services when available are provided: for Health Information On-Call – Health Dialog Services Corporation; for Complementary Wellness Discount Program – Healthways WholeHealth Networks, Inc; for Health Information On-Line – HealthMedia® Inc.; for Pharmacy Discount Card – Caremark, Inc; for Vision – Davis Vision; for Provider Network Discounts – different options exist and are specified at time of offer. Other administrative and/or customer support services may be provided by HM Benefits Administrators, Pittsburgh, PA. Certain exclusions and limitations may apply. See your certificate or other evidence of coverage for details. Coverage or service requested or the use of an association, franchise, trust or union may not be available.