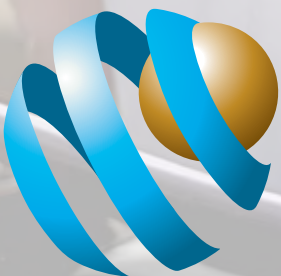


# Custom Benchmarking and New Business Proposal

**Prepared for  
DG Manufacturing Group**

**Presented by  
Adroit Benefit Consulting**

The cover page identifies the case as either New Business or Renewal and includes the group's name and the producer's name



**TOKIO MARINE**  
**HCC**

# We Will be There for You

## DG Manufacturing Group - Proposal Effective 07/01/2020

730 Energy Center Boulevard, Suite 1403 | Northport, AL 354735814

Marketing Representative: William Johnson, [wjohnson@tmhcc.com](mailto:wjohnson@tmhcc.com), 800-447-0460

Underwriter: Peter Smith, [psmith@tmhcc.com](mailto:psmith@tmhcc.com), 800-447-0460

There can be no denying that 2020 has been an unprecedented and eventful time in our lives. The impact of COVID-19 continues to evolve, but it will undoubtedly have a significant impact on both the healthcare industry and self-funded medical plans. At the same time, catastrophic claims continue to proliferate, and high cost gene therapy solutions are set to burst onto the scene over the next few years. In fact, based on our own claims data, **the number of \$1 million+ claims has more than doubled in the past 5 years.** Now more than ever, Stop Loss Insurance is paramount to the responsible management of a plan sponsor's self-funded plan.

But there is good news: **Tokio Marine HCC - Stop Loss Group (TMHCC) has been helping protect self-funded plan sponsors from catastrophic claim events for over 45 years!** Whether it be specific coverage for high cost claimants, or aggregate coverage for abnormally high claims across the entire plan, TMHCC will be there in your time of need.

**We are also continuing to offer cost management solutions to our customers,** including: our fully insured organ transplant product; air ambulance expense management via our sister company, On Call International; and through our partnership with Emerging Therapy Solutions/LifeTrac, best in class solutions for managing the cost of high-dollar, complex medical conditions and treatments such as cell and gene therapies, mechanical assist devices (VADs), hemophilia, and congenital heart disease.

DG Manufacturing Group, the attached proposal has been created especially for you. We appreciate the opportunity to become your Stop Loss Insurance partner. We take this responsibility quite seriously, and we promise to be there for you when you need us the most – in protecting your plan from the financial impact of catastrophic claims.

Should you have any questions about this proposal, TMHCC, or any other aspect of our business, please contact me at your earliest convenience.

Peter Smith

The cover letter discusses the proliferation of catastrophic claims in recent years and how TMHCC can help our clients manage them.

## About Us

# About Tokio Marine HCC - Stop Loss

This page highlights the strength and stability of our organization and our singular focus on stop loss coverage.

## Financial Strength

Rated A++ (Superior) from A.M. Best Company and AA- (Very Strong) ratings from Standard & Poor's and Fitch, Tokio Marine HCC – Stop Loss Group is backed by the financial stability of its parent company, Tokio Marine HCC, a specialty insurance group headquartered in Houston, TX, transacting business in over 180 countries with more than 100 classes of insurance.

## Focus

TMHCC's stop loss product portfolio is focused solely on managing the financial impact of catastrophic claims on a policyholder's self-funded medical plan. Our portfolio includes stop loss, organ transplant, Taft-Hartley, and captive solutions.

## Experience

HCC Life Insurance Company, operating as Tokio Marine HCC - Stop Loss Group, has been reducing risks while helping to control healthcare costs for employers and self-funded plans for more than 45 years.

## Stability

At \$1.5 billion in annual premium, we are one of the largest direct writers of stop loss in the US. We are responsible for all underwriting, claims, and administrative decisions.

## Regional Commitment

Five regional offices have been strategically placed throughout the United States to meet the unique needs of each geographical area. Each region manages their own underwriting and marketing services, and reports to our executive management team in our Kennesaw, GA headquarters.

## Claim Management

Value-added services available to policyholders provide cost containment programs to help reduce claim costs in areas such as neonatal care, oncology, dialysis, transplants, and air ambulance transports.

## Accountability

Our producers have direct access to TMHCC's decision-making personnel in all functional areas, including executive management. When problems arise, every staff member is committed to prompt and thorough issue resolution.

## Partnership

We keep our producers and policyholders updated with industry news and product promotions. We listen to our customers and use their feedback to generate innovative product enhancements. Our paperless, online Licensing and Appointment process takes only minutes to complete.

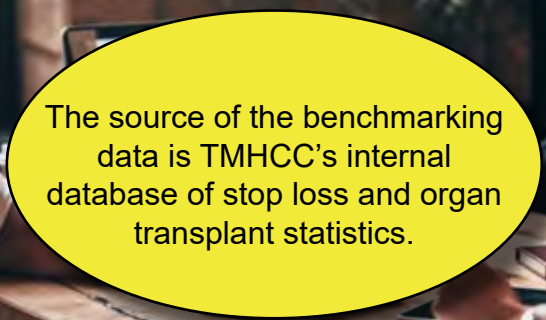
## Support

TMHCC is backed by the financial resources of its international parent company, Tokio Marine Holdings, Inc., which is a global insurance carrier. A Fortune 250 company headquartered in Japan, Tokio Marine has over \$51 billion in annual revenue.

# DG Manufacturing Group

Tokio Marine HCC – Stop Loss Group is one of the largest direct writers of Stop Loss in the country. With our experience, we have created one of the industry's largest databases of statistics. In an effort to help you make an informed decision, we are including benchmarking metrics for your company.

Each group is provided custom benchmarks for the comparable categories of Employer Size (number of employees), Industry and State.

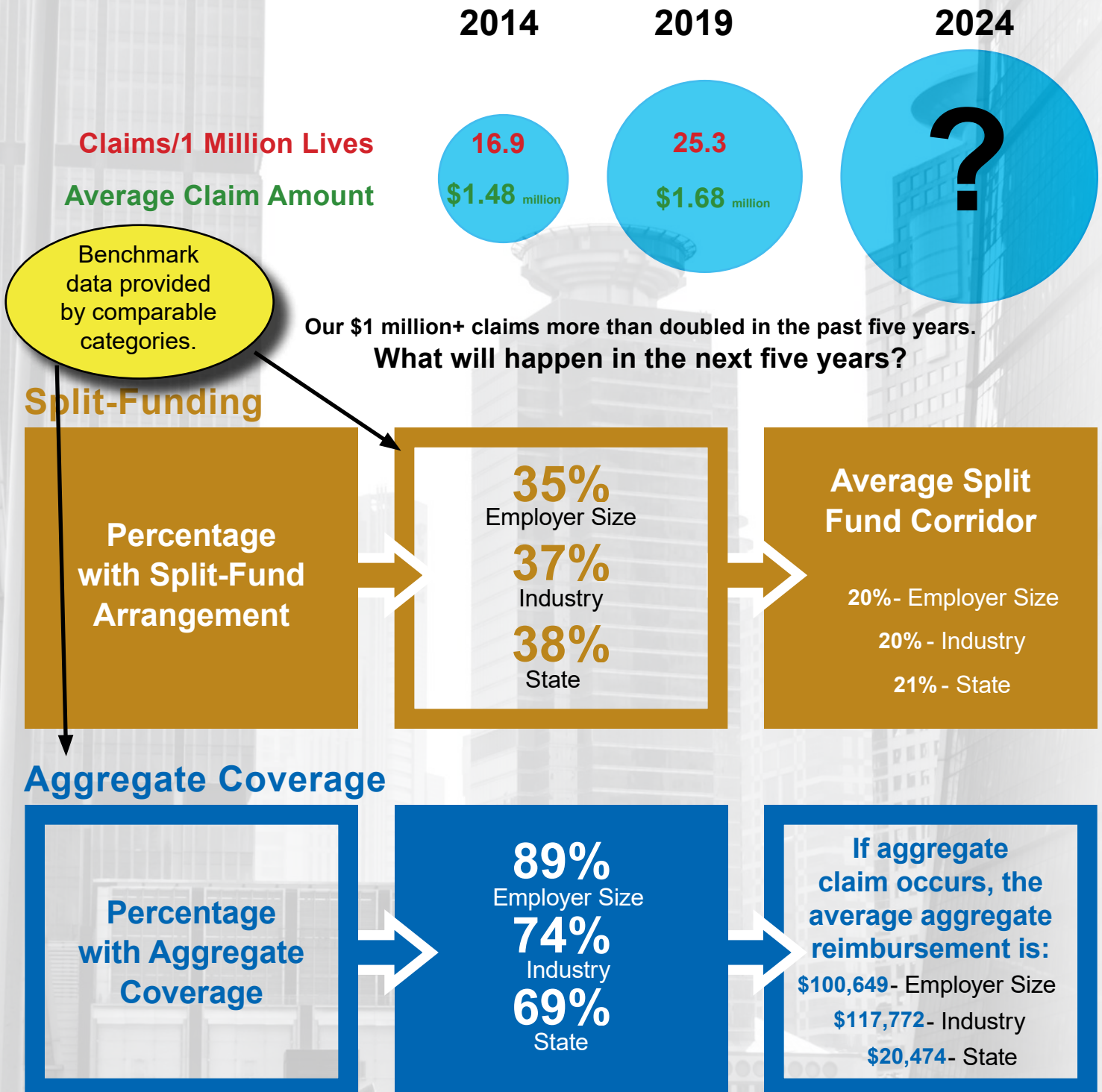
|   |            | Employee Size          | Industry   | State         |          |
|---|------------|------------------------|--|---------------|----------|
|   |            | DG Manufacturing Group | 125 to 149   | Manufacturing | Alabama  |
| Average Number of Employees               |            | 132                    | 136  | 502           | 386      |
| Average Age of Employees                  |            | 51                     | 46   | 47            | 45       |
| Male/Female Employee Split                |            | 70/30                  | 65/35  | 74/26         | 65/35    |
| Average Specific Deductible*              |            | \$80,000               | \$75,000   | \$130,000     | \$95,000 |
| Expected Number of Stop Loss Claims       |            | 2.9                    |  |               |          |
| Probability of Having an Organ Transplant | In 1 Year  | 8%                     |  |               |          |
|   | In 5 Years | 35%                    |  |               |          |

\*Current specific deductible for DG Manufacturing Group is shown.



# DG Manufacturing Group

## \$1 Million+ Claim Experience (TMHCC Book of Business)



# DG Manufacturing Group

## Specific Stop Loss

Employee Size

Industry

State

125 to 149

Manufacturing

Alabama

### Claims Above \$50,000

Percentage that have a claim

99%

95%

96%

Average number of claims

4.7

3.2

3.8

Average specific reimbursement

\$67,967

\$67,387

\$57,712

Benchmark data for specific stop loss claims above three thresholds: \$50,000, \$100,000 and \$250,000

### Claims Above \$100,000

125 to 149

Manufacturing

Alabama

Percentage that have a claim

77%

77%

81%

Average number of claims

2.1

2.4

2.0

Average specific reimbursement

\$108,048

\$105,317

\$91,877

### Claims Above \$250,000

125 to 149

Manufacturing

Alabama

Percentage that have a claim

28%

36%

34%

Average number of claims

1.2

1.9

1.6

Average specific reimbursement

\$246,277

\$192,705

\$166,963

This report was prepared by TMHCC exclusively for the use or benefit of this Proposal for a specific and limited purpose. Any third party recipient of this report who desires professional guidance should not rely upon TMHCC's report, but should engage qualified professionals for advice to its own specific needs.

This page is only included for renewals. It shows the historical data for the group insured by TMHCC.

The number of columns will depend on how long the group has been insured with TMHCC. Each column represents a year's worth of data, except for the far right column, which will only have data for year-to-date.

## Custom Benchmarking Data

### Historical Data for EG Electrical Group

February 1, 2017      February 1, 2018      February 1, 2019

#### Number of Claims by Policy Year

|                                    |                                    |                                    |
|------------------------------------|------------------------------------|------------------------------------|
| <b>\$375,000</b><br>Specific Level | <b>\$375,000</b><br>Specific Level | <b>\$375,000</b><br>Specific Level |
| <b>1</b><br>Claimants              | <b>0</b><br>Claimants              | <b>1</b><br>Claimants              |

#### Reimbursed Claims & Premium by Policy Year \*

|                             |                             |                             |
|-----------------------------|-----------------------------|-----------------------------|
| <b>\$9,174</b><br>Claims    | <b>\$0</b><br>Claims        | <b>\$277,970</b><br>Claims  |
| <b>\$149,266</b><br>Premium | <b>\$174,489</b><br>Premium | <b>\$107,226</b><br>Premium |
| <b>6.1%</b><br>Loss Ratio   | <b>0.0%</b><br>Loss Ratio   | <b>259.2%</b><br>Loss Ratio |

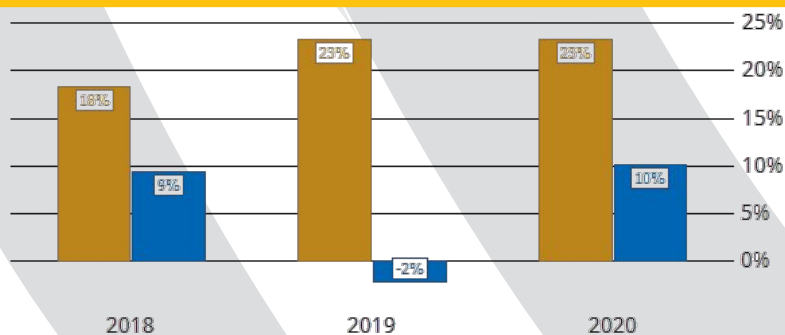
\* Reimbursed claims include paid claims plus reserves, and premium represents paid gross premium.

#### Observed Discount on Reimbursed Claims

|              |             |              |
|--------------|-------------|--------------|
| <b>16.6%</b> | <b>0.0%</b> | <b>33.6%</b> |
|--------------|-------------|--------------|

#### Rate History vs Leveraged Trend

Leveraged Trend  
Rate Increase



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This page is included with every proposal and outlines the coverage options under the stop loss contract and value-added features included with every proposal.

## Medical Stop Loss

# TMHCC's Customized Products & Services

## DG Manufacturing Group

**We customized this proposal to match your needs with our products and services.**

- Specific (individual) coverage
- Aggregate (group) coverage
- Flexible contract terms

### COVERAGE OPTIONS

- Terminal Liability
- Split-Funded (Aggregating Specific) Arrangements
- Incurred Contract
- Aggregate Accommodation
- Unlimited Annual Maximums
- Contract Advantage Plan
- Family Deductible
- No Gap 12/15 Contract

### Every proposal includes these value-added features:

- **Straightforward Contract** - Incorporates the employer's plan document
- **Qualified Clinical Trials Endorsement** - Mirrors requirements of the Affordable Care Act
- **IRO Endorsement** - Reimburses plan claim denials overturned by an Independent Review Organization determination
- **Simultaneous Funding**
- **Specialty Claim Unit (SCU) and Preliminary Claim Unit (PCU)** - The SCU and PCU teams assist policyholders with managing large claims, such as transplants and premature births, and help policyholders directly control costs to their plans
- **On Call** - Air Ambulance expense management
- **Emerging Therapy Solutions/LifeTrac** - Cost management of high-dollar complex medical events





This page is included with every proposal and highlights features of some of the programs offered by TMHCC.

# Highlighted Features

## Air Ambulance Transport

**We help our policyholders manage their air ambulance transport expenses via our partnership with our sister organization, On Call International:**

- Proprietary network of air ambulance preferred providers
- Air ambulance quote/re-quote services provided free to TMHCC policyholders
- End to end air ambulance transport coordination
- In-network claim with no patient balance billing
- Travel assistance services offered free to TMHCC policyholders
- Additional travel risk management services offered at a discount for TMHCC policyholders

## Emerging Therapy Solutions/LifeTrac Cost Management Services

**With the recent acquisition of LifeTrac by Emerging Therapy Solutions (ETS), we help our policyholders manage the clinical and financial risk of their member's complex care events:**

- Best in class cell and gene therapy solutions, including the availability of a step down stop loss deductible for using ETS's Programs of Excellence for gene therapies
- Highly specialized treatment "tracs" include transplant, congenital heart disease, specialty drugs, oncology, and specialty contracting
- Access to over 100 leading medical facilities and providers nationwide
- Personalized Pathway to maximize effect in both management and quality of care
- Contracting methodology to help minimize risk and protect our policyholder's financial resources
- Claims monitored from beginning through completion of care

## Organ Transplant Product

**We offer a stand-alone, fully-insured, first dollar product that "carves out" the organ transplant (OT) costs from the medical plan for self-funded groups\*:**

- Covers 100% of in-network transplant related expenses
- Discount to stop loss rates for carving out OT coverage
- Avoids lasers and rate increases on the stop loss policy associated with transplant exposure
- Includes up to \$15,000 for travel and \$5,000 to patient post-transplant
- Patient is assigned a care coordination nurse who assists the patient and their family throughout the entire transplant process

\*Not available in all states.

## Medical Stop Loss

# Leveraged Trend

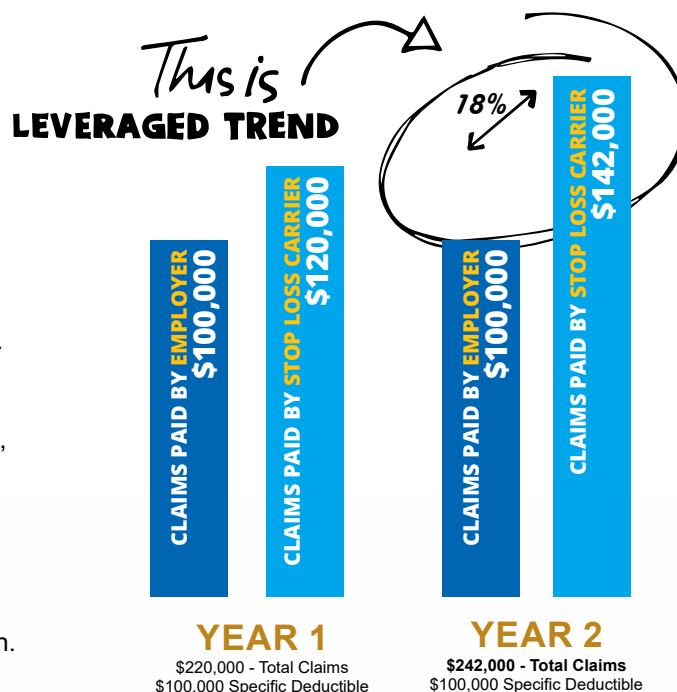
This page is included with every proposal and provides an explanation of leveraged trend, which is unique to stop loss coverage, and how our customers can mitigate its impact.

New medical technologies, rising provider charges and increasing pharmaceutical costs continue to cause medical inflation to rise faster than general inflation. When a policyholder does not increase their stop loss policy's specific deductible threshold, then the plan's premiums are impacted by leveraged trend.

### How does leveraged trend affect stop loss rates?

Suppose a self-funded plan has a \$100,000 specific stop loss deductible. In year one, an employee has \$220,000 in claims. The first \$100,000 of the claims is paid by the self-funded plan. The remaining \$120,000 is reimbursed by the medical stop loss policy.

Assume the following year's medical trend is 10%. For a similar claim, the employee's claim amount would increase from \$220,000 to \$242,000. But if the plan's specific deductible remains at \$100,000, then the self-funded plan would still pay the first \$100,000 of the claims, but the medical stop loss policy now reimburses the remaining \$142,000 in claims – an 18% “leveraged trend” increase from the preceding year. In other words, 10% medical inflation turns into 18% stop loss coverage inflation.



## Did you know? Leveraged Trend BLOCK AVERAGE

Tokio Marine HCC - Stop Loss Group's Leveraged Trend for our entire block of business for 2020 was 21.1%.

### What can self-funded plans do to help mitigate the impact of leveraged trend?

Many self-funded employers find that increasing their specific deductible to match the annual trend expectations helps mitigate the cost impact of leveraged trend on their stop loss policies.

### Raising your specific deductible could mean lower overall costs.

Each plan should be evaluated individually. Plans should weigh the cost of the claims to be paid out of the plan against the cost of premiums for coverage on the medical stop loss claim.

**The following pages are  
the actual proposal.**

# **New Business Proposal**

**for DG Manufacturing Group**



**TOKIOMARINE**  
**HCC**

# Proposal Page 1



TOKIO MARINE  
HCC

225 TownPark Drive, Suite 350  
Kennesaw, GA 30144  
Telephone: (770) 973-9851  
Facsimile: (770) 973-9854

Underwriter:  
Peter Smith  
psmith@tmhcc.com

Marketing Representative:  
William Johnson  
wjohanson@tmhcc.com

Stop Loss Proposal for: DG Manufacturing Group

Effective Dates: 01/01/2021 – 12/31/2021

Quoted for: Adroit Benefit Consulting

Proposal Number: 9

## INDIVIDUAL STOP LOSS COVERAGE

| Plan Description                          |            | Option 1         | Option 2         | Option 3         |
|---|------------|------------------|------------------|------------------|
| Coverages                                 |            | Medical, Rx Card | Medical, Rx Card | Medical, Rx Card |
| Annual Specific Deductible per Individual |            | \$ 200,000       | \$ 225,000       | \$ 250,000       |
| Contract Basis                            |            | 24/12            | 24/12            | 24/12            |
| Contract Advantage                        |            | Included         | Included         | Included         |
| Lifetime Reimbursement                    |            | Unlimited        | Unlimited        | Unlimited        |
| Maximum Contract Period Reimbursement     |            | Unlimited        | Unlimited        | Unlimited        |
| Rate(s) Per Month                         | Enrollment |                  |                  |                  |
| Single                                    | 260        | \$ 91.14         | \$ 77.35         | \$ 65.21         |
| Family                                    | 240        | \$ 281.78        | \$ 249.20        | \$ 212.17        |
| Composite                                 | 500        | \$ 182.65        | \$ 159.84        | \$ 135.75        |
| Estimated Contract Period Premium         |            | \$ 1,095,883     | \$ 959,028       | \$ 814,505       |
| Rate(s) include Commission of             |            | 0.00 %           | 0.00 %           | 0.00 %           |

# Proposal Page 2



**TOKIO MARINE  
HCC**

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Underwriter:  
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Marketing Representative:  
William Johnson  
wjohnson@tmhcc.com

Stop Loss Proposal for: DG Manufacturing Group

Effective Dates: 01/01/2021 – 12/31/2021

Quoted for: Adroit Benefit Consulting

Proposal Number: 9

## AGGREGATE STOP LOSS COVERAGE

| Plan Description                      |            | Option 1         | Option 2         | Option 3         |
|---------------------------------------|------------|------------------|------------------|------------------|
| Coverages                             |            | Medical, Rx Card | Medical, Rx Card | Medical, Rx Card |
| Contract Basis                        |            | 24/12            | 24/12            | 24/12            |
| Loss Limit per Individual             |            | \$ 200,000       | \$ 225,000       | \$ 250,000       |
| Maximum Contract Period Reimbursement |            | \$ 1,000,000     | \$ 1,000,000     | \$ 1,000,000     |
| Rate per Month                        | Enrollment |                  |                  |                  |
| Composite                             | 500        | \$ 6.07          | \$ 6.15          | \$ 6.21          |
| Estimated Contract Period Premium     |            | \$ 36,420        | \$ 36,900        | \$ 37,260        |
| Rate(s) include Commission of         |            | 0.00 %           | 0.00 %           | 0.00 %           |
| Annual Aggregate Deductible           |            | \$ 8,998,145     | \$ 9,154,685     | \$ 9,296,700     |
| Minimum Aggregate Deductible          |            | \$ 8,998,145     | \$ 9,154,685     | \$ 9,296,700     |
| Monthly Aggregate Claim Factors       | Enrollment |                  |                  |                  |
| Medical, Rx Card                      |            |                  |                  |                  |
| Single                                | 260        | \$ 938.83        | \$ 954.72        | \$ 967.81        |
| Family                                | 240        | \$ 2,107.29      | \$ 2,144.43      | \$ 2,179.56      |
| Composite                             | 500        | \$ 1,499.69      | \$ 1,525.78      | \$ 1,549.45      |
| Run-In Limited To                     |            | \$ 1,349,722     | \$ 1,373,203     | \$ 1,394,505     |

## OVERALL COST SUMMARY

| Plan Description         | Option 1      | Option 2      | Option 3      |
|--------------------------|---------------|---------------|---------------|
| Total Annual Fixed Cost  | \$ 1,132,303  | \$ 995,928    | \$ 851,765    |
| Aggregate Variable       | \$ 8,998,145  | \$ 9,154,685  | \$ 9,296,700  |
| Maximum Annual Liability | \$ 10,130,448 | \$ 10,150,613 | \$ 10,148,465 |



## Proposal Page 3



TOKIO  
HCC

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Telephone: (770) 973-9851  
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Underwriter:  
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Marketing Representative:  
William Johnson  
wjohanson@tmhcc.com

Stop Loss Proposal for: DG Manufacturing Group

Effective Dates: 01/01/2021 – 12/31/2021

Quoted for: Adroit Benefit Consulting

Proposal Number: 9

### PROPOSAL QUALIFICATIONS AND CONTINGENCIES

Quoted terms and conditions are subject to possible revision based upon the receipt and review of the following Items:

- Paid claims experience to the effective date including monthly enrollment figures.
- Updated shock loss information to the date HCC Life Insurance Company has been notified that the proposal has been accepted by the group. Shock loss information should include injuries, illnesses, diseases, diagnoses, or other losses of the type, which are reasonably likely to result in a significant medical expense claim or disability, regardless of current claim dollar amount. In addition, shock loss information should include any claimant that has incurred claim dollars in excess of \$ 100,000, regardless of diagnosis. Information is also needed on any claims processed and unpaid, pending or denied for any reason. Please refer to our Trigger Diagnosis Disclosure List, which provides examples of some, but not all, types of shock losses.
- We will accept final shock loss disclosure no earlier than 30 days prior to the effective date.
- Please see the attached exhibit for plan document assumptions and requirements.
- Should a large claim(s) (non-reoccurring and/or ongoing) become known and the initial date of service is prior to the date of written acceptance by HCC Life Insurance Company, we reserve the right to re-underwrite the case.
- In the event there is a greater than 10% change in enrollment between the submitted initial enrollment data and the final enrollment data, rates and factors may be recalculated.
- Minimum participation level of 75% of all eligible employees is required.
- Our proposal includes Simultaneous Funding on Specific reimbursements.
- Rates and Factors are calculated with the plan anniversary date and the Policy effective date as the same date. Should the plan anniversary date and the stop loss policy effective date be different we reserve the right to modify our rates, factors and terms of coverage to accommodate for additional liabilities incurred by the plan due to state and/or federal mandates during the stop loss contract period.
- 
- **Quote rated with retirees not covered. Quote rated with no COBRAs being covered based on the census information provided.**
- **Contract Advantage Plan - A charge has been added to the indicated specific rates for a no new laser guarantee renewal rating action of no more than 45%, regardless of the ongoing claim liability at renewal.**
- 
- **Quote Rated with the following UR Vendors: CIGNA, .**
- **Quote Rated with the following Cost Containment Program(s): CIGNA.**

## Proposal Page 4



TOKIO  
HCC

225 TownPark Drive, Suite 350  
Kennesaw, GA 30144  
Telephone: (770) 973-9851  
Facsimile: (770) 973-9854

Underwriter:  
Peter Smith  
psmith@tmhcc.com

Marketing Representative:  
William Johnson  
wjohnson@tmhcc.com

Stop Loss Proposal for: DG Manufacturing Group

Effective Dates: 07/01/2020 – 06/30/2021

Quoted for: Adroit Benefit Consulting

Proposal Number: 13

Proposal Valid Through: 09/10/2020

- Quote Rated with the following Cost Containment Program(s): Blue Cross/Blue Shield of Alabama, Blue Cross/Blue Shield (Blue Card).
- Rates and factors shown are eligible for discounts if TMHCC Organ Transplant coverage is purchased in conjunction with the Medical Stop Loss.

A charge has been added to indicated specific rates for a no new laser guarantee renewal rating action of no more than % -, regardless of the ongoing claims liability at renewal.

Claim disclosure information provided to date for this account has been reviewed and no further information is needed. Rates effective 7/1/20 are firm and final if acceptance by 6/2/20. If acceptance is not provided by this date, updated disclosure information will be needed to finalize.

Initial the selected proposal option (please initial both the selected Specific and Aggregate option):

| Option | Specific           | Aggregate          |
|--------|--------------------|--------------------|
| 1      | \$ 80,000 / 24/12  | \$ 80,000 / 24/12  |
| 2      | \$ 90,000 / 24/12  | \$ 90,000 / 24/12  |
| 3      | \$ 100,000 / 24/12 | \$ 100,000 / 24/12 |

The Premium and Aggregate Deductibles are based on the data submitted. Any inaccurate or incomplete data submitted may require changes at final underwriting. We will not be bound by any typographical errors or omissions contained herein.

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Agent of Record or Administrator

This proposal expires if applications are not requested before the valid through date.

### Plan Document Assumptions

This proposal for stop loss coverage assumes the Plan Sponsor's plan document includes certain standard clauses, exclusions and limitations. These exclusions and limitations include, but are not limited to the following:

1. **Eligibility, Effective Date, and Enrollment Date** provisions, which include definitions of eligible employees (including definitions of full-time and part-time), dependents, and retirees, if applicable.
2. **Termination Provisions** which clearly define when eligibility and benefits cease. The Termination Provisions should include specific wording regarding extension of coverage (also known as "extension of active service") during a period of inactive service due to disability, layoff or leave of absence. The plan should include COBRA wording consistent with federal requirements.
3. **Transplant** benefit wording that identifies any benefits applicable to the donor (particularly the non-participating donor), the recipient, organ procurement, and any covered transportation, lodging and companion charges.
4. The Plan is expected to contain provisions that preserve its ability to seek a right of recovery, to recover funds via subrogation, to enforce coordination of benefit clauses with other plans and where able, to be secondary to Medicare and other public programs (subject to the Plan's compliance with Medicare Secondary Payer rules).
5. Exclude expenses resulting from losses which are due to any act of war, whether declared or not.
6. Exclude expenses for any injury or illness arising out of or in the course of any occupation or employment for wage or profit.
7. Exclude expenses related to Alternative Treatment, except when deemed both medically necessary and cost effective when compared to a normal course of treatment.
8. All HCC Life policies contain an Experimental and Investigative definition and exclusion along with coverage requirements for clinical trials that complies with the Affordable Care Act (ACA).

## Organ Transplant Proposal

**This organ transplant proposal is included with new business stop loss proposals only.**

Employer: DG Manufacturing Group  
 Proposal: 1019961  
 Producer: Adroit Benefit Consulting  
 Claims Admin.: Adroit Benefit Consulting  
 Carrier: HCC Life Insurance Company

Underwriter: Lorraine Fisch  
 Marketing Rep: William Johnson  
 Quote Date: 06/30/2020  
 Quote Valid Until: 07/10/2020  
 Effective Date: 07/01/2020

### Summary of Coverage

**Lifetime Maximum :** \$1,000,000

**Policy Deductible:** \$0

**Transplant Benefit Period:** Evaluation up to 365 days post transplant

**Reimbursement:**

- 100% of covered transplant-related costs, including organ procurement, when performed in-network.
- 80% of covered transplant-related costs up to scheduled maximum amount per transplant when performed out-of-network (see policy)

**Transportation :** \$300 per day, \$15,000 maximum for patient and companion. Coverage includes a separate ambulance benefit.

**Transplant Indemnity Provision:** In the event you obtain a Covered Transplant Procedure, we will pay \$5,000 directly to you within 60 days after receiving required proof that the Covered Transplant Procedure has occurred. We may pay benefits directly to any relative we deem appropriate if a benefit is payable and you are: 1) a minor; 2) legally incapable of giving valid receipt and discharge of payment; or 3) deceased.

**Experimental :** Coverage for all phases of NCI Clinical Trials

**Pre-Existing Requirements :** Participants covered on the effective date of the Policy (and Participants subsequently added as a result of the acquisition of a new group, affiliate, division, and/or subsidiary) are subject to a 12 month Pre-Ex Waiting Period. A Pre-Existing Condition is any condition for which the Participant has within the past 24 months: been advised that a transplant may be necessary; had a transplant consultation, workup, or evaluation; been scheduled for a transplant consultation, workup, or evaluation; received or has been listed to receive a transplant; received dialysis treatments; or been diagnosed with Chronic Kidney Disease or End Stage Renal Disease. \*

|  | <u>Enrollment</u> | <u>Quoted Rate Per Month</u> |
|--|-------------------|------------------------------|
| Single                                 | 97                | \$6.55                       |
| Family                                 | 35                | \$16.26                      |
| Estimated Annual Premium               |                   | \$14,453                     |
| Quoted Rate(s) includes Commissions of |                   | 0.00 %                       |

\* Rates and benefits are subject to state approval, and the 24 month Pre-Ex "look-back" period may vary by state.



## Organ Transplant Proposal Page 2

### Organ Transplant Proposal

Employer: DG Manufacturing Group  
Proposal: 1019961  
Producer: Adroit Benefit Consulting  
Claims Admin.: Adroit Benefit Consulting  
Carrier: HCC Life Insurance Company

Underwriter: Lorraine Fischer-Smith  
Marketing Rep: William Johnson  
Quote Date: 06/30/2020  
Quote Valid Until: 07/10/2020  
Effective Date: 07/01/2020

### Proposal Qualifications and Contingencies

#### ***For All Producers / Groups***

- \* Application / Disclosure Form must be received by Tokio Marine HCC within 15 days of the effective date. Applications received later may be subject to request for additional information and underwriting review of the proposed rates.
- \* Applications received that disclose pre-existing conditions may be subject to additional information requests and underwriting review. All Value Propositions, Proposals and Quotes are not final until the Application is received, reviewed and approved.
- \* Explanation of any upcoming significant census changes (20%) within 30 days of effective date.
- \* Contract period is for 12 months from effective date, unless otherwise stipulated.
- \* This proposal contemplates the utilization of the above captioned Claims Administrator. Any deviation is a material change of fact rendering this proposal null and void.
- \* Retirees are not covered.
- \* COBRA participants are not covered.
- \* No coverage of any kind is made effective by this quote transmitted. Sales Representatives, and brokers or agents, have no authority to make effective coverage, or enter into contracts on behalf of the company. Coverage will be effective only after: (1) a quotation is issued by the company; (2) a completed and signed application and disclosure is received by the company; (3) the application is approved by the company; (4) Written notice confirming effective coverage is issued by the company. This proposal supersedes all others previously issued to you, and all other Proposals and Rate Quotations previously issued to you are void.

#### ***For Non-Select Groups: In addition to the information requested above, please provide the following:***

*(Attached Proposal is 'indication only' based on our Pooled Producer rates. The information requested below is to determine any variance from pooled rates in order to determine our final underwriting position.)*



# We Will be There for You

This page is included with every proposal and highlights TMHCC's commitment to the stop loss marketplace.

## Financial Strength

- A++ (Superior) by A.M. Best Company
- AA - (Very Strong) by Standard & Poor's
- AA - (Very Strong) by Fitch Ratings

## Cost Management

Transplants, premature births, oncology, dialysis, air ambulance transports

## Experience

45+ years in the stop loss business

## Stability

- \$1.5 Billion in Annual Premium
- Responsible for all underwriting, claims and administrative decisions

## Regional Commitment

Five Strategically placed regional offices across the United States

## Claim Management

To ensure you only pay what you owe

## Accountability

Direct access to decision-making personnel for prompt and thorough service

## Partnership

- Open communication
- Seamless licensing & appointment process
- Consistently competitive rates

**Thank you  
for the  
opportunity  
to serve you!**