



Product Brochure Supplement

This insert is to be used with: Partnership Plan Brochure (PRB-0165)

How Your Partnership Plan Works

The claim administrator for the Employer Fund on the Partnership Plan is Western Reserve Administrative Services Inc. (WRAS). WRAS keeps financial records of all transactions.

As the employer, you choose an employer deductible from \$5,000 to \$25,000. This is the amount you pay for each insured person per year* (with a maximum of two times the selected amount per family). The maximum amount** you can pay out during a year for your entire group (called the aggregate) is established during underwriting. The aggregate is subject to change whenever there is a change in the number of enrolled employees or a change in the number of employees with single coverage versus employees with family coverage.

Your funds are used to establish a claim payment account at WRAS from which employer funded claims are paid. The matrix on the following page outlines various types of claims and who is responsible for paying the claim (the employee, employer or Central Reserve Life, [CRL]). Once an employee's covered charges during the year exceed your employer deductible, or your group exceeds the aggregate, CRL will pay the remainder of the covered charges according to the terms of the policy for the balance of the year.

You will receive a Monthly Financial Statement from WRAS which includes:

- Employer Fund account balance
- Deposits to Employer Fund account
- Employer-funded claim payments
- A billing statement with the amount needed to replenish the Employer Fund claim payment account
- Claims applied toward maximum claim aggregate

In accordance with HIPAA Privacy Regulations, the release of detailed employee protected health information ("PHI") is prohibited, except under very specific circumstances. This affects the amount of information that can be released in your Monthly Financial Statement. For additional information, please refer to a document entitled, "How are Employers Affected by HIPAA Privacy?," form AEF-0590. If you would like employee PHI as part of your Monthly Financial Statement, the action described in form AEF-0590 must be taken, and the "Certification of Group Health Plan Amendment", form AEF-0591, must be completed and returned to CRL's Home Office. Otherwise, only summary information will be included in your Monthly Financial Statement.

You, as the employer, must pay 100% of the billed amount shown on the Monthly Financial Statement. Delay in WRAS claim payments may occur if the claims account funding is not made in a timely manner from receipt of the statement.

There are two funding options, Minimum Funding and Monthly Cap Funding. Under the Minimum Funding option, you will make a deposit of 30% of the aggregate into your fund account over the first three months and then replenish your account to maintain this minimum balance as claims are paid.

Under the Monthly Cap option, you will make monthly claim account payments into your fund account which are equal to approximately 1/12 of the aggregate**. If the claims paid out of your claim payment account do not meet your aggregate for the policy year, you may receive a refund of any unused funds. This refund is generally made six months after the end of the policy year.

A higher employer deductible may be placed on an applicant during underwriting with your signed permission. This is a policy year deductible on that insured person, and **all** claims up to the specified higher employer deductible amount for this individual are paid from your claim fund account and do not accumulate toward the aggregate. This is an additional employer funding requirement.

* Employer claims are paid on a policy-year basis, not calendar year; employee claims paid on a calendar-year basis.

** Under either the Minimum Funding or Monthly Cap Funding option, you will be required to make additional deposits to fund the benefits if you have selected the self-funded prescription benefit, you have approved claim payments outside of policy provisions, or have an insured person with a higher deductible. The preceding are not included in the calculation of your aggregate; these are expenses or benefits you have decided to cover or self insure under your established claim payment account.



Benefit Matrix for Partnership Plan Brochure

The following is a summary of how eligible covered charges for payment will be processed under the plan.

Highlight	Employee	Employer	CRL	
Doctor Office Visits In-Network	Copay Employer Deductible	Processed under Employee Copay and after Employee Copay	Pays Balance after Employer Deductible	
Doctor Office Visits Out-of-Network	Deductible and Coinsurance	Processed under Employer Deductible after Employee Deductible and Coinsurance	Pays Balance after Employee Deductible and Coinsurance and Employer Deductible	
Preventive Medical Benefit Birth to Age 1	Pays Balance of Charges after \$300	Pays up to \$300 maximum	If Employer Deductible has been met, Pays up to \$300 maximum	
Preventive Medical Benefit Ages 1 & Up	Pays Balance of Charges after \$150	Pays up to \$150 maximum	If Employer Deductible has been met, Pays up to \$150 maximum	
Life Insurance Benefits and Accidental Death and Dismemberment, Term Life	N/A	N/A	Pays Benefit	
Managed Indemnity Drug Card	Deductible and Coinsurance	Processed under Employer Deductible after Employee Deductible and Coinsurance	Pays Balance after Employee Deductible and Coinsurance and Employer Deductible	
All Other Covered Major Medical Benefits	Deductible and Coinsurance	Processed under Employer Deductible after Employee Deductible and Coinsurance	Pays Balance after Employee Deductible and Coinsurance and Employer Deductible	
Optional Benefits	Accident Expense Options	Balance after CRL Pays first \$300/\$500 Deductible and Coinsurance	Processed under Employer Deductible after Employee Deductible and Coinsurance	Pays first up to \$300/\$500 maximum and Pays Balance after Employee Deductible and Coinsurance and Employer Deductible
	3-Tier Copay Prescription Drug Card	Copay and Coinsurance	N/A	Pays Balance after Employee Copay and Coinsurance
	Self-Funded Prescription Card*	Employer Specified Copay and Coinsurance	Pays Balance after Employee Copay and Coinsurance	N/A
	Short-Term Disability	N/A	N/A	Pays Benefit

Note: The Employee claims are paid on a calendar-year basis. Employer claims are paid on a policy-year basis.

A higher employer deductible may be placed on an applicant during underwriting with your signed permission. This is a policy year deductible on that insured person, and **all** claims up to the specified higher employer deductible amount for this individual are paid from your claim fund account and do not accumulate toward the aggregate. This is an additional employer funding requirement.

* If you select the Self-Funded Prescription Card Benefit, the claims payments are not included in the calculation of the Employer Aggregate.