




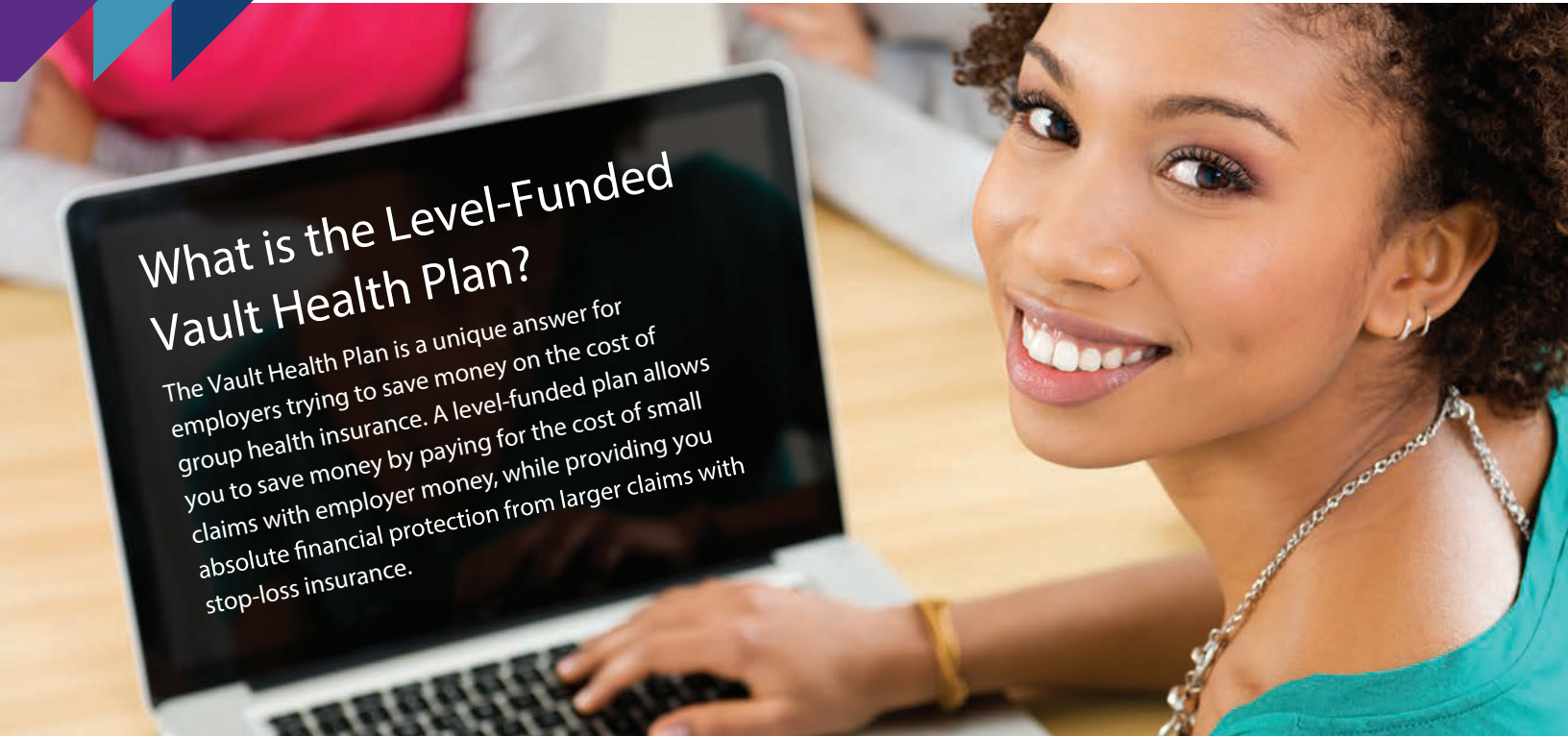
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PSivetSM



SMALL GROUP LEVEL-FUNDED HEALTH PLAN SOLUTION
for groups with 2 - 75 covered lives



Do you receive money back from your insurer for being healthy?



What is the Level-Funded Vault Health Plan?

The Vault Health Plan is a unique answer for employers trying to save money on the cost of group health insurance. A level-funded plan allows you to save money by paying for the cost of small claims with employer money, while providing you absolute financial protection from larger claims with stop-loss insurance.

Who is the Plan For?

The Level-Funded Vault Health Plan is for employers with good health experience who feel they are paying too much premium for too little in benefits. Do you receive money back from your insurer for being healthy? If the answer is NO, then the Vault Health Plan could be the right alternative for you.

How Does the Plan Work?

The Vault Health Plan saves you money by paying the claims of your employees with your own money instead of insurance premiums. Money left in your account is your savings and not insurance company profits. You're protected with stop-loss insurance that provides coverage for large claims and caps your maximum exposure.

1. Stop-loss insurance protects you when an employee has a serious claim or more employees have claims during the year than you can afford to pay.
2. Each month you make a payment that covers the fixed costs of your plan: Stop-loss insurance and the administrative and sales fees.
3. Level Funding: You pay your fixed costs and then fund your claim fund monthly with 1/12 of your maximum annual cost. You never have to pay more than this maximum amount. You are never subject to a cash call if claims go past your current maximum contribution.
4. After all claims have been paid for the plan year (after the nine-month run-out period), any unused dollars in your claim fund are yours to use as you want – to be refunded or used to lower costs for the next year.

How is This Plan Different?


If you're currently covered under a fully insured plan, your monthly premium costs are locked in. Even if you're healthy and have no claims, you don't share in the savings, which are kept by the insurance company.

Self funding allows you to keep the savings when your group is healthy while stop-loss insurance caps your exposure. Level monthly funding takes the guessing out of monthly costs. You pay one set monthly fee. After all of your claims are paid for the year, the unused money in your claim fund is returned to you.



What are My Risks With This Plan?

With Vault Health Plan level funding, your only risk when you get to the end of the plan year is that you won't receive money back. Each month, your payment helps to build up your claim fund. The unused money in your claim fund is yours after claims are paid for the plan year. Your risk also is limited by stop-loss insurance.



Your only risk is not receiving money back at the end of the year!

What are the Advantages of the Vault Health Plan?

- You don't buy insurance for benefits that you don't use. Unspent claim dollars are yours at the end of the plan year.
- Stop-loss insurance fully protects you from larger claims. You will never have to pay more than the maximum exposure.
- Level funding means there are no surprise payments – just one monthly fee.
- Your plan is an ERISA plan that is exempt from some of the federal Affordable Care Act regulations.

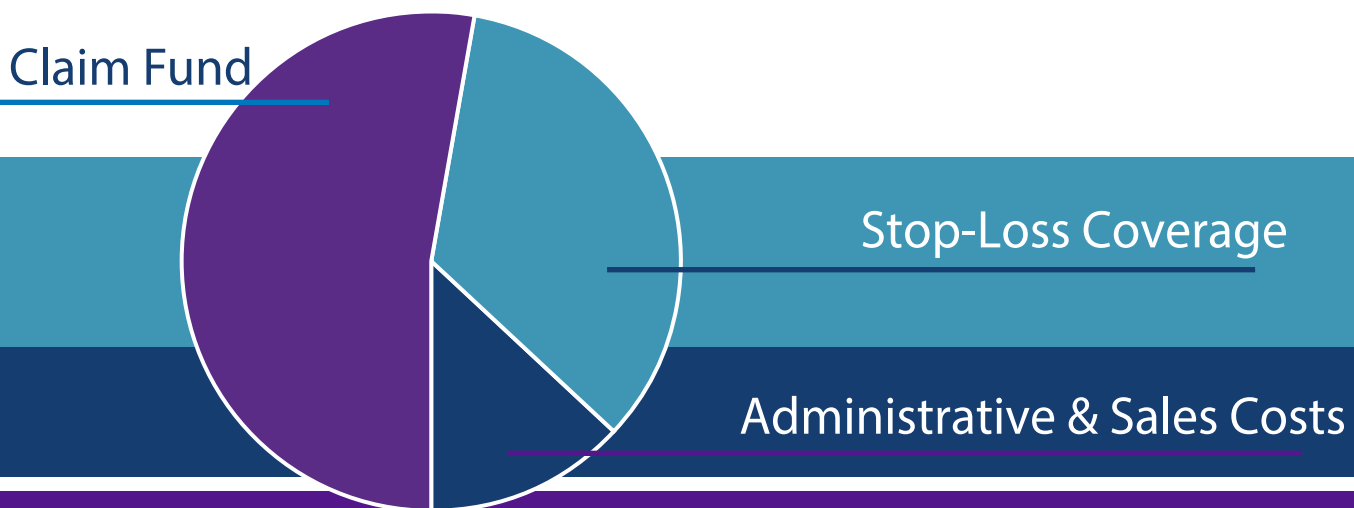
What Doctor Can I See?

Most of our clients find that they can see whatever Doctor they want. We use several different networks depending on the market area. The networks available in your area will dictate which doctors are available "in network." Most of our plans allow members to see whatever doctor they like with a little higher co-pay or co-insurance if the doctor is not in the network. We also have unrestricted plans which do not use networks. These plans monitor which doctors are being used by your group, and then work to get agreements for payment terms with them.

How the Vault Health Plan Works

There are three types of costs:

- *Claim Fund*
Covers employees' health care claims
- *Stop-Loss Coverage*
Protects employer from unexpected claims
- *Administrative & Sales Costs*
Covers processing and reporting



Your Claim Fund

With level funding, you'll never pay more than the maximum claim cost for the plan year. Each month you pay 1/12 of your MAXIMUM annual claim costs for your plan year. After you've paid this amount each month, there are no other charges for claim payments. Aggregate stop-loss begins after your maximum claim cost. Once all claims have been paid for the plan year, any unused dollars in the claim fund are yours for refund or for expenses in your next plan year as you determine.

Accommodation – Aggregate accommodation is provided if claims exceed the accumulated MAXIMUM required funding level during the plan year. The stop-loss insurer will advance the money required to pay these claims at no extra cost. Employers will repay this loan through their normal monthly payments. There are no cash calls or additional charges. As monthly payments are made any extra funds will be used to repay the accommodation loan.



Reporting – Each month, you will receive an accounting report on all claims paid during the month and the plan year-to-date. Each quarter, you will receive a detailed utilization report about claims paid (subject to federal and state privacy regulations). This reporting provides the information necessary to fully track your claim fund and to understand where your claim fund dollars are spent (such as doctor's office visits, prescription drugs, outpatient services and hospitalizations). With this information, you can design your plan to hold costs down at renewal.

Plan Year & Terminal Liability – Your plan year runs for 12 months from your effective date. Claims incurred during your plan year will be paid through a nine-month run-out period after the end of the plan year. Any remaining money in the claim fund at the end of the run-out period is refunded to you. Terminal Liability coverage is built into the plan by providing the nine-month run-out period.

Stop-Loss Coverage

Stop-loss coverage protects you from larger claims. The insurer pays for larger claims so the money does not come out of your claim fund.

- **Specific Stop-Loss Coverage** – Pays when the claims for any one person (employee or dependent) exceed a set dollar limit during the plan year.
- **Aggregate Stop-Loss Coverage** – Pays when the overall claims for your group exceed a set dollar limit during the plan year. This is the ultimate protection that allows your maximum cost to be known and locked in for the year.

Administrative and Sales Costs

These are the costs you pay for the administration of your group's health plan. This includes underwriting, claims processing and monthly claim fund reporting. Compensation is also paid to your agent from these costs for their role in helping you tailor your plan, managing your plan enrollment and ongoing servicing of your plan.



Group Requirements & Getting Started

The following items are needed from the agent and employer to enroll a group and begin the underwriting process. Vault's guideline for a timely Funding Advantage new case submission is a minimum of 10 working days before the requested effective date. Typical underwriting can take up to three weeks depending on completeness of a submission and how quickly missing information is received. To be considered a submission, the employer information statement, current plan information (benefits, current and renewal rates), employee enrollment cards/waivers and participation documentation (on groups with less than 50 participants) is required. Submissions without these components are considered prescreen/quote requests only and not handled as a new case submission.

Employers

1. Please complete, sign and date the Group Info and Census Template spreadsheet.
2. Have each of your employees complete the online health questionnaire using the provided link and instructions.
3. Any eligible employee not enrolling for coverage **MUST** also fill out the health questionnaire as a waiver. An employee waiving coverage because they are covered under another employer's major medical plan will not be counted against the group's participation requirements.
4. Groups with a current health plan – include your most current billing statement that includes your renewal rates from your current carrier.
5. Tell your Vault Health Plan representative which plan or plans you wish to be quoted for.
6. If your group passes underwriting, you will receive a firm rate proposal for your chosen plans. To enroll, complete the Employer Application.
7. Have each of your employees complete enrollment forms.
8. Please give all of the above pieces to your agent so he or she can begin processing.

Agents

1. All papers from the employer and their employees (see above list) must be signed, dated and received by Vault in one packet by email or fax before the requested first-of-the-month effective date.
2. You must be appointed with the appropriate stop-loss carrier. If not, please contact Sales Support at 877-424-2366 for information.
3. In addition, submit a copy of the benefit and rate proposal used for the group.
4. Please submit all pieces from the employer to the addresses below. When submitting forms by Fax or email, it is extremely important that forms be legible and that forms that are filled out by hand be done with ink.

Send all completed forms to your Vault Health Plan representative



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