

CIGNA GROUP HOSPITAL CARE PROPOSAL

Prepared For:

University of Richmond

Requested By: OneDigital

Proposed Effective Date: January 1, 2020

Underwritten By: **Life Insurance Company of North America**

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THIS POLICY PAYS LIMITED BENEFITS ONLY. IT DOES NOT CONSTITUTE COMPREHENSIVE HEALTH INSURANCE COVERAGE AND IS NOT INTENDED TO COVER ALL MEDICAL EXPENSES. THIS COVERAGE DOES NOT SATISFY THE "MINIMUM ESSENTIAL COVERAGE" OR INDIVIDUAL MANDATE REQUIREMENTS OF THE AFFORDABLE CARE ACT (ACA).

Together, all the way.SM



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**University of Richmond
Group Hospital Care Proposal
Hospital Indemnity Insurance
Schedule of Benefits Summary**

Eligibility	<p>Class 1: All active, Full-time Employees of the Employer regularly working a minimum of 1,511 hours annually in the United States, who are citizens or permanent resident aliens of the United States and their Spouse and Dependent Children who are United States citizens or permanent resident aliens residing in the United States.</p> <p>Class 2: All active, Full-time Employees of the Employer regularly working a minimum of 1,511 hours annually, who are lawfully working and residing in the United States under an appropriate visa or work authorization and their Spouse and Dependent Children who are residing in the United States, except non-United States citizens from OFAC sanctioned countries.</p>
Eligibility Waiting Period	<p>The standard recommended Eligibility Waiting Period is:</p> <p>None – date of hire</p>
Initial Enrollment Event	<p>Guarantee issue coverage available for new employees, spouses and dependent children.</p>
Annual/Scheduled Enrollment Events	<p>Open Allowed on an annual basis</p> <p>Guarantee issue coverage available for all eligible employees, spouses and dependent children.</p>
Late Enrollment	<p>Not permitted outside of annual enrollment event.</p>
Life Status Enrollees	<p>All eligible Employees are able to apply for or increase coverage for themselves and apply for or increase coverage for their spouse and dependent children due to life status events without satisfying medical evidence of insurability so long as they apply within 31 days of such event.</p> <p>Life Status events include: marriage; loss of a spouse whether by death, divorce, annulment or legal separation); birth or adoption of a child, or acquiring a child through marriage; a change in the group benefit plan available to the Employee's Spouse; a change in the Employee's employment status that affects eligibility for group benefits for either the Employee or His Spouse; termination of a Spouse's employment; and as specified in the Employer's Plan which this Policy insures.</p>
Participation Requirement	<p>No minimum requirement</p>
SUMMARY OF BENEFITS	
Benefit Waiting Period	<p>None</p>
Pre-Existing Condition Limitation	<p>Does not apply.</p>
Employee Benefit Amount(s)	<p>100% of the Benefit Amount shown</p>
Spouse Benefit Amount(s)	<p>100% of the Benefit Amount shown</p>

(Spouse to age 100 is eligible for coverage if employee is enrolled) Dependent Child Benefit Amount(s) Child only eligible if employee is enrolled Birth to 26; 26+ if disabled	100% of the Benefit Amount shown Coverage for dependent children covered to the end of the year in which they turn age 26.
Age Based Reductions	None on base plan.
Coverage	Fixed benefits per schedule below.

Coverage and Benefit Amounts**Series 1.1 LOW PLANS****HOSPITALIZATION BENEFITS¹**

<u>Benefit Type</u>	<u>Benefit Amount</u> <u>Plan 1</u>
Hospital Admission No elimination period. Limited to 1 day, 1 benefit(s) every 90 days.	\$1,000 per day
Hospital Chronic Condition Admission No elimination period. Limited to 1 day, 1 benefit(s) every 90 days.	\$50 per day
Hospital Stay No elimination period. Limited to 30 days, 1 benefit(s) every 90 days.	\$100 per day
Hospital Intensive Care Unit Stay No elimination period. Limited to 30 days, 1 benefit(s) every 90 days.	\$200 per day
Hospital Observation Stay 24 hour elimination period. Limited to 72 hours.	\$100 per day

Benefit – Specific Conditions, Exclusions & Limitations

- **Hospital Admission:** Must be admitted as an Inpatient due to a Covered Injury or Covered Illness. Excludes: treatment in an emergency room, provided on an outpatient basis, or for re-admission for the same Covered Injury or Covered Illness (including chronic conditions).
- **Hospital Chronic Condition Admission:** Must be admitted as an Inpatient due to a covered chronic condition and treatment for the covered chronic condition must be provided by a specialist in that field of medicine. Excludes: treatment in an emergency room, provided on an outpatient basis, or for re-admission for the same Covered Injury or Covered Illness (including chronic conditions).
- **Hospital Stay:** Must be admitted as an Inpatient and confined to the Hospital, due to a Covered Injury or Covered Illness, at the direction and under the care of a physician. If also eligible for the ICU Stay Benefit, only 1 benefit will be paid for the same Covered Injury or Covered Illness, whichever is greater. Hospital stays within 90 days for the same or a related Covered Injury or Covered Illness is considered one Hospital Stay.
- **Intensive Care Unit (ICU) Stay:** Must be admitted as an Inpatient and confined in an ICU of a Hospital, due to a Covered Injury or Covered Illness, at the direction and under the care of a physician. If also eligible for the Hospital Stay Benefit, only 1 benefit will be paid for the same Covered Injury or Covered Illness, whichever is greater. ICU stays within 90 days for the same or a related Covered Injury or Covered Illness is considered one ICU Stay.
- **Hospital Observation Stay:** Must be receiving treatment for a Covered Injury or Covered Illness in a Hospital, including an observation room, or ambulatory surgical center, for more than 24 hours, on a non-Inpatient basis and a charge must be incurred. This benefit is not payable if a benefit is payable under the Hospital Stay Benefit or Hospital Intensive Care Unit Stay Benefit.

PLEASE NOTE – BENEFIT COMPATIBILITY WITH HSA-ACCOUNTHOLDERS:

¹ **PLANS WITH THESE BENEFITS ARE INTENDED TO BE COMPATIBLE WITH A HEALTH SAVINGS ACCOUNT (HSA) AT THE TIME OF THIS OFFERING. WE MAKE NO REPRESENTATIONS AS TO THEIR CONTINUING COMPATIBILITY WITH AN HSA, AS LAWS MAY CHANGE, OR AS TO ANY BENEFIT THAT MUST BE INCLUDED TO RESIDNETS AS MANDATED BY THEIR STATE. PLEASE CONSULT YOUR TAX ADVISOR WITH ANY QUESTIONS.**

² **PLANS WITH THESE BENEFITS ARE NOT HSA-COMPATIBLE. PLEASE CONSULT YOUR TAX ADVISOR WITH ANY QUESTIONS.**

See Policy Provisions section for important policy definitions and a listing of applicable common exclusions and limitations.

Continuation Options

CONTINUATION OF INSURANCE

Family Medical Leave 6 months
Leave of Absence 12 months
Sabbatical Leave of Absence 24 months
*Note for class 2 non US employees the maximum amount of continuation they can have is 26 weeks.

PORTABILITY – This does not apply to Class 2

The same coverage may be continued upon employee’s termination of employment with the employer, or when the employee is no longer eligible for coverage.
- Portable period is to age 100
- Coverage(s) may be ported on all Covered Persons
- Maximum port age is 100

Included Cigna Programs and Services*

Integration Services

Clinical Program Referrals – We leverage medical information to make referrals to suitable health and wellness programs.

Cigna Simple FileSM – We help maximize employee benefit payments and create a better customer experience.

- **Auto Compare** – We carefully review claims – looking across employee Cigna Medical, Life, AD&D and LTD coverages and automatically reminding the customers to submit their voluntary supplemental health claims.
- **Auto Claim** – For employees with eligible Cigna Short-term Disability claims, we automatically submit their voluntary supplemental health claims for them so they don’t have to.

My Secure Advantage™: 30-days’ pre-paid expert money-coaching™ for all types of financial planning and challenges, including identity theft prevention and fraud resolution services and online tools for state-specific wills and other important legal documents.

Cigna Healthy Rewards®: Discounts on health and wellness services, including vision and hearing care, diet programs, fitness and weight management, massage, chiropractic care and acupuncture, and more.

Health Advocacy Services: Provides employees and families (including parents and parents-in-law) access to expert assistance with a wide range of health care and health insurance challenges.

*These programs are NOT insurance and do not provide reimbursement for financial losses. Participants are required to pay the entire discounted charge for any products or services purchased through these programs. Programs are provided through third party vendors who are solely responsible for their products and services. Health Advocacy services are not available to existing clients of Health Advocate, Inc. Full terms, conditions and exclusions are contained in the applicable client program description, and are subject to change. Program availability may vary by plan type and location, and are not available where prohibited by law.

POLICY PROVISIONS

NOTE: The following are some of the important policy provisions that apply to benefits described in the policy. This is not a complete list of policy provisions, terms and conditions.

Important Definitions:

Active Service Definition: An Employee will be considered in Active Service with the Employer on a day which is one of the

Employer's scheduled work days if either of the following conditions is met.

- He or she is actively at work. This means the Employee is performing his or her regular occupation for the Employer on a full-time basis, either at one of the Employer's usual places of business or at some location to which the Employer's business requires the Employee to travel.
- The day is a scheduled holiday, vacation day or period of Employer approved paid leave of absence, other than disability or sick leave after 7 days, only if the Employee was in Active Service on the preceding schedule workday.

Covered Illness: A physical or mental disease or disorder including pregnancy and complications of pregnancy that results in a covered loss. A Covered Illness includes medically-necessary quarantine in a Hospital in conjunction with medically-necessary preventive treatment due to an identifiable exposure to a life-threatening contagious and infectious disease.

Covered Injury: Any bodily harm that results directly in a covered loss

Covered Person: An eligible person who is enrolled for coverage under the Policy.

Hospital: an institution that is licensed as a hospital pursuant to applicable law; it is primarily and continuously engaged in providing medical care and treatment to sick and injured persons; managed under the supervision of a staff of physicians; provides 24-hour nursing services by or under the supervision of a graduate registered Nurse (R.N.); and has medical, diagnostic and treatment facilities with major surgical facilities on its premises, or available to it on a prearranged basis. The term Hospital does not include a clinic, facility, or unit of a Hospital for: (1) rehabilitation, convalescent, custodial, educational, hospice, or skilled nursing care; (2) the aged, drug addicts or alcoholics; or (3) a facility primarily or solely providing psychiatric services to mentally ill patients.

Common Exclusions:

In addition to any benefit-specific exclusions, benefits will not be paid for any Covered Injury or Covered Illness which is caused by or results from any of the following unless coverage is specifically provided for by name in the Description of Benefits section:

1. Intentionally self-inflicted Injury, suicide or any attempt thereat while sane or insane.
2. Commission or attempt to commit a felony or an assault.
3. Declared or undeclared war or act of war.
4. A Covered Injury or Covered Illness that occurs while on active duty service in the military, naval or air force of any country or international organization. Upon Our receipt of proof of service, We will refund any premium paid for this time. Reserve or National Guard active duty training is not excluded unless it extends beyond 31 days.
5. Voluntary ingestion of any narcotic, drug, poison, gas or fumes, unless prescribed or taken under the direction of a Physician and taken in accordance with the prescribed dosage.
6. Operating any type of vehicle while under the influence of alcohol or any drug, narcotic or other intoxicant including any prescribed drug for which the Covered Person has been provided a written warning against operating a vehicle while taking it. "Under the influence of alcohol", for purposes of this exclusion, means intoxicated, as defined by the law of the state in which the Covered Injury or Covered Illness occurred.
7. Those not necessary, as determined by Us in accordance with generally accepted standards of medical practice, for the diagnosis, care or treatment of the physical or mental condition involved. This applies even if they are prescribed, recommended, or approved by the attending physician.
8. Elective or cosmetic surgery. This does not include reconstructive, cosmetic surgery: a) incidental to or following surgery for trauma, infection or other disease of the involved part; or b) due to congenital disease or anomaly of a Covered Dependent child which has resulted in a functional defect.
9. Dental surgery, unless the surgery is the result of an accidental injury.
10. Services or treatment rendered by a Physician, Nurse or any other person who is:
 - a. employed or retained by the Subscriber;
 - b. providing homeopathic, aroma-therapeutic or herbal therapeutic services;
 - c. living in the Covered Person's household;
 - d. a parent, sibling, spouse or child of the Covered Person

Termination:

We may terminate insurance on or after the first anniversary of the Policy Effective Date. We or The Policyholder/Subscriber may terminate insurance on any Premium Due Date. Written notice by certified mail must be given at least 31 days prior to such Premium Due Date. Failure by the Policyholder to pay premiums when due or within the Grace Period shall be deemed notice to Us to terminate coverage at the end of the period for which premium was paid.

Termination will not affect a claim for a Covered Injury or Covered Illness that is the result of a Covered Loss that occurs while coverage was in effect.

COMMISSION SUMMARY

Rate includes a flat 15.00% commission payable on collected premiums.

Producer Compensation

Cigna Group Insurance companies may have entered into, or may enter into, agreements with brokers, under which the insurance company compensates brokers for providing marketplace intelligence and other services intended to enhance the effectiveness of the insurance company's business. Cigna Group Insurance companies may invite brokers to participate in events sponsored by the insurance company for the same purposes. Any compensation paid may be based on meeting targets for new business production and persistency, and, if paid, is funded from the insurance company's overhead and is based on the broker's overall book of business with the insurance company. Any such payments are separate from commissions and, if applicable, will be included in ERISA Form 5500, Schedule A information provided by the insurance company.

PROPOSAL ASSUMPTIONS

- Unless stated otherwise in the class definition(s), our eligibility requirements assume that employees are *working on a full-time basis, and citizens of the United States, and working in the United States*. Part-time, seasonal, temporary, contracted, leased or severed employees are not eligible, unless otherwise noted.
- The rates and fees quoted within the proposal are based on information furnished to Cigna Group Insurance for the purpose of developing a proposal of group insurance. Cigna Group Insurance has assumed that the demographic and plan design information provided will be an accurate representation of your company at the time of implementation. Premium rates are guaranteed for 2 years subject to exceptions in the policy and the policy's termination provisions. These rates and the guarantee assume that the number of eligible or insured employees does not change by more than 10% from the date of the census provided. Rates may differ slightly due to rounding.
- This proposal is not an insurance contract. Should your company decide to install the plan of benefits described within this proposal, your company's representative will receive a contract of insurance and related documents that describes the final benefit and service selections agreed to by you, the employer, and Cigna Group Insurance. All benefits will be subject to the terms of that contract.
- The terms and availability of any benefit are subject to the laws and regulations of the jurisdiction in which the policy is issued, jurisdictions whose laws apply to out-of-state groups, and federal laws and regulations. If a benefit in force under the policy is determined by the underwriting company at any later time to not meet applicable laws or regulations, the company may immediately amend any such benefit, including the discontinuance of the benefit under the policy.
- This proposal assumes that a group master policy will be delivered in Delaware to a trustee for the benefit of the Employer and its eligible employees. The terms and availability of this proposal are subject to the laws of Delaware and may be subject to change if the state of delivery is different. In addition, some jurisdictions require supplemental filing/approval for out-of-state policies covering their residents. As a result, coverage may not be available to employees in all states or coverage may vary slightly.
- This proposal assumes a minimum required lead time for implementation of 30 days prior to enrollment period.
- NOTE: This proposal reflects coverage being funded on a post-tax basis.

Group hospital indemnity policies are insured or administered by Life Insurance Company of North America, 1601 Chestnut St. Philadelphia, PA 19192. Policy forms: Hospital Indemnity – GHIP-00-1000

RATE SUMMARY

Quoted Number of Eligible Lives 1,578
Rate Guarantee 24 months

Rates Per Insured Class

Monthly

Employee Premium

	Employee	Employee & Spouse	Employee & Child(ren)	Employee & Family
Composite	\$18.91	\$38.52	\$30.96	\$50.57

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