For eligible employees of:

Sarasota County Schools

Presented by:

August 10, 2012
Proposals expires in 90 days

Group Specified Critical Illness Proposal

Underwritten by
Continental American Insurance Company
2801 Devine Street | Columbia, South Carolina 29205

Plan Description

The Group Specified Critical Illness product provides a lump-sum benefit upon the diagnosis of not only one covered illness, but for each covered illness.

Why Offer Group Specified Critical Illness Insurance?

Cancer, Heart Attack, Stroke, or Renal Failure that requires dialysis are all life-changing events. Medical coverage will help your employees with a large portion of the medical expenses associated with the Treatment of critical illnesses. But, what about the out-of-pocket medical expenses? What about the expenses associated with life-change following a critical illness? Consider an employee who suffers a Stroke that leaves him paralyzed. Will medical insurance, life insurance or disability insurance pay for the construction of a wheelchair access ramp on the employee's home? What about job retraining? Group Specified Critical Illness insurance provides a lump-sum benefit payment to cover out-of-pocket medical expenses and the costs associated with life-changes following a covered critical illness.

Plan Features

- Lump-sum benefits paid directly to the Insured following the diagnosis of each covered critical illness.
- Payroll Deduction – Premiums are paid through convenient payroll deduction.
- Guaranteed Issue available.
- Spouse coverage available.
- Each Dependent Child is covered at 25% of the primary Insured amount at no additional charge.
- Benefit amounts available for $5,000 up to $50,000 for employees and $25,000 for spouse.
- Annual Health Screening Benefits included.
- The plan is portable with certain stipulations.
- Level premium rates based upon the applicant's age as of the time of application. Rates cannot be individually increased on a particular Insured due to a change in age, health or individual claim.
- Immediate effective date – Coverage will be effective the date the employee signs the application.

Underwriting Guidelines – Guaranteed Issue

Guaranteed-issue is offered during the initial enrollment and for new hires thereafter.

Employee:

- $5000
- $10,000
- $15,000
- $20,000
- $25,000
- $30,000

Underwriting rules:
- **Year 1:**
- Eligible Employees can enter in at any level.
- Eligible Employees must meet actively at work requirement.
- **Years 2 - 5:**
- Eligible Employees who did participate:
- Eligible for guaranteed issue increase of $5000.
- Eligible Employees who did not participate in year 1, but wish to participate in subsequent years:
- Can elect the $5,000 option on a guaranteed issue basis
- Once an Eligible Employee reaches the plan maximum they can no longer increase.
- Offer to increase coverage expires after five years.

Spouse offering:
- The spouse will be offered 50% of whatever the employee purchases.

Spouse Underwriting rules:
- The same rules which apply to Eligible Employees, apply to spousal coverage.

Child Offering:
- Children are included at a flat coverage amount – 25% of what the Eligible Employee purchases
- Child coverage is automatic and no underwriting is required.

- No participation requirements.

Group Eligibility

A minimum of 25 approved employee payees are needed to establish group billing.

Individual Eligibility

Issue Ages	
Employee	18-69
Spouse	18-69
Children	under age 26

All full-time employees, working at least 16 hours or more weekly, with at least 30 days of continuous employment by the date of the enrollment are eligible. If an employee is eligible, their spouse is eligible for coverage and all children of the Insured who are less than twenty-six (26) years of age. Seasonal and temporary workers are not eligible to participate.

Spouse Coverage Available

The employee may elect to purchase spouse coverage. In order to apply for spouse coverage, the employee must also apply. The spouse amount may not exceed 50% of the employee amount, subject to the minimum face amount of $5,000. If the employee does not meet the underwriting requirements necessary to participate in the plan, the spouse can still obtain coverage. The spouse would then become the primary Insured and is limited to face amounts between $5,000 and $25,000.

Dependent Children Coverage at No Additional Charge

Each eligible dependent child is covered at 25% of the primary insured amount at no additional charge. The payment of benefits for a dependent child does not reduce the face amount of the primary insured. Child coverage would end when benefits for the last remaining adult insureds is paid in full.

Children-only coverage is not available.

Portability

When coverage is effective and would otherwise terminate because the employee ends employment with the employer, coverage may be continued. The employee will continue the coverage that is inforce on the date employment ends, including dependent coverage then in effect.

The employee will be allowed to continue the coverage until the earlier of the date the employee fails to pay the required premium or the date the group master policy is terminated. Coverage may not be continued if the employee fails to pay any required premium or the group master policy terminates.

Group Specified Critical Illness Benefits

First Occurrence Benefit – After the Waiting Period, an Insured may receive up to 100% of the benefit selected upon the first diagnosis of each covered critical illness.

Covered Critical Illnesses **	
Illnesses Covered Under Plan	Percentage of Face Amount
Cancer (Internal or Invasive)	100%
Heart Attack	100%
Major Organ Transplant	100%
Renal Failure (End Stage)	100%
Stroke	100%
Carcinoma in Situ+	25%
Coronary Artery Bypass Surgery+	25%

** At age 70, benefits are reduced by 50%.

Additional Occurrence Benefit – If an insured collects full benefits for a Critical Illness under the plan and later has one of the remaining covered illnesses, then we will pay the full benefit amount for any additional illness. Occurrences must be separated by at least 90 days.

+ Payment of the partial benefit for Carcinoma in Situ will reduce by 25% the benefit for internal Cancer. Payment of the partial benefit for Coronary Artery Bypass Surgery will reduce by 25% the benefit for a Heart Attack.

Health Screening Benefits

After the Waiting Period, an Insured may receive a maximum of $50 for any one covered screening test per calendar year. We will pay this benefit regardless of the results of the test. Payment of this benefit will not reduce the amount payable for the diagnosis of a critical illness. There is no limit to the number of years the Insured can receive the health screening benefit; it will be paid as long as the policy remains inforce. This benefit is payable for the covered employee and spouse. This benefit is not paid for Dependent Children. The covered health screening tests include but are not limited to:

- Stress test on a bicycle or treadmill
- Fasting blood glucose test, blood test for triglycerides or serum cholesterol test to determine level of HDL and LDL
- Bone marrow testing
- Breast ultrasound
- CA 15-3 (blood test for breast Cancer)
- CA 125 (blood test for ovarian Cancer)
- CEA (blood test for colon Cancer)
- Chest x-ray
- Colonoscopy
- Flexible sigmoidoscopy
- Hemocult stool analysis
- Mammography
- Pap smear
- PSA (blood test for prostate Cancer)
- Serum protein electrophoresis (blood test for myeloma)
- Thermograph

GROUP CRITICAL ILLNESS

CIG

Florida - Weekly (52pp/yr)

NON-TOBACCO - Employee

AGES	$30,000
18-29	$ 5.80
40-49	$ 11.41
50-54	$ 16.64
55-59	$ 22.45
60-64	$ 31.25
65-69	$ 34.09

NON-TOBACCO Spouse

AGES	$15,000
18-29	$ 3.03
18-29	$ 5.83
18-29	$ 8.50
18-29	$ 11.41
18-29	$ 15.81
18-29	$ 17.23

TOBACCO - Employee

AGES	$30,000
18-29	$ 13.48
40-49	$ 26.57
50-54	$ 38.31
55-59	$ 51.88
60-64	$ 72.44
65-69	$ 79.02

TOBACCO - Spouse

AGES	$15,000
18-29	$ 6.87
40-49	$ 13.41
50-54	$ 19.34
55-59	$ 26.12
60-64	$ 36.40
65-69	$ 39.69

Rates include cancer benefit.

Please Note: Premiums shown are accurate as of publication. They are subject to change.

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Limitations and Exclusions (also applies to optional benefits)

This plan contains a 30-day "waiting period." This means that no benefits are payable for any insured who has been diagnosed before coverage has been in force 30 days from the effective date of coverage. If an insured is first diagnosed during the "waiting period," benefits for treatment of that specified Critical Illness will apply only to loss commencing after two years from the effective date of coverage, or the employee may elect to void the certificate from the beginning and receive a full refund of premium.

The date of diagnosis of a Critical Illness must be separated from the date of diagnosis of a subsequent different Critical Illness by at least 90 days.

The applicable benefit amount will be paid if: the date of diagnosis is after the waiting period; the date of diagnosis occurs while the plan is in force; and the cause of the illness is not excluded by name or specific description.

Benefits will not be paid for loss due to:

1. Intentionally self-inflicted injury or action;
2. Suicide or attempted suicide while sane or insane;
3. Illegal activities or participation in an illegal occupation;
4. War, whether declared or undeclared or military conflicts, participation in an insurrection or riot or civil commotion
5. Substance abuse; or
6. Pre-existing conditions (except as stated below).

Pre-existing Condition Limitation

"Pre-existing Condition" means a sickness or physical condition which, within the 6-month period prior to the Effective Date of the certificate which resulted in an insured person's receiving medical advice or treatment.

We will not pay benefits for any condition or illness starting within 12-months of the Effective Date of the certificate which is caused by, contributed to, or resulting from a Preexisting Condition.

A claim for benefits for loss starting after 12-months from the Effective Date of the certificate will not be reduced or denied on the grounds that it is caused by a Preexisting Condition.

The Certificate may have been issued as a replacement Certificate previously issued to you under the Plan. If so, then the pre-existing condition limitation provision of the Certificate applies only to any increase in benefits over the prior Certificate. Any remaining period of pre-existing condition limitation of the prior Certificate would continue to apply to the prior level of benefits.

Definitions

Cancer - means a malignant tumor characterized by the uncontrolled growth and spread of malignant cells and the invasion of distant tissue. Cancer includes leukemia. Excluded are Cancers such as:

1. Pre-malignant tumors or polyps;
2. Carcinoma in Situ (non-invasion);
3. Any skin cancers except melanomas;
4. Stage 1 Hodgkin's Disease and Stage A Prostate Cancer;
5. Basal cell carcinoma and squamous cell carcinoma of the skin; and
6. Melanoma that is diagnosed as Clark's Level I or II or Breslow less than .77mm.

Cancer which meets the diagnosis criteria of malignancy established by The American Board of Pathology after a study of the histocytologic architecture or pattern of the suspect tumor, tissue or specimen.

Carcinoma in situ - Means cancer that is in the natural or normal place, confined to the site of origin without having invaded neighboring tissue.

Cancer and/or carcinoma in situ must be diagnosed in one of two ways:

1. Pathological Diagnosis - A pathological diagnosis of cancer or carcinoma in situ is based on a microscopic study of fixed tissue or preparations from the hemic (blood) system. This type of diagnosis must be done by a certified pathologist whose diagnosis of malignancy is in keeping wit the standards set up by the American Board of Pathology.

2. Clinical Diagnosis - A clinical diagnosis of cancer or carcinoma in situ is based on the study of symptoms.

   We will pay benefits for a clinical diagnosis only if:

   a. A pathological diagnosis cannot be made because it is medically inappropriate or life-threatening;
   b. There is medical evidence to support the diagnosis; and
   c. A doctor is treating an insured person for cancer and/or carcinoma in situ.

Definitions (continued)

Heart Attack (Myocardial Infarction) Means the death of a portion of the heart muscle (myocardium) resulting from a blockage of one or more coronary arteries. Heart attack does not include any other disease or injury involving the cardiovascular system. Cardiac arrest not caused by a myocardial infarction is not a heart attack.

The diagnosis must include all of the following criteria:

1. New and prior, if any, Electrocardiographic (EKG) findings consistent with Myocardial Infraction; and
2. Elevation of cardiac enzymes above generally accepted laboratory levels of normal in case of creatine physphokinase (CPK), a CPK-MB measurement must be used.

3. Confirmatory imaging studies such as thallium scans, MUGA scans, or stress echocardiograms.
4. Chest Pain

Stroke means apoplexy (due to rupture or acute occlusion of a cerebral artery), or a cerebral vascular accident or incident, which began on or after an Insured's Effective Date. Stroke does not include Transient Ischemic Attacks and attacks of Verterbrobasilar Ischemia. We will pay a benefit for Stroke which produces permanent clinical neurological sequela following an initial diagnosis made after any applicable Waiting Period. We must receive evidence of the permanent neurological damage provided from Computed Axial Tomography (CAT scan) or magnetic Resonance Imaging (MRI). Stroke does not mean head injury, transient ischemic attack or chronic cerebrovascular insufficiency.

Renal Failure (Kidney Failure) means the end stage Renal Failure presenting as chronic, irreversible failure of both of your kidneys to function. The kidney failure must necessitate regular renal dialysis, hemo-dialysis or peritoneal dialysis (at least weekly); or which results in kidney transplantation. Renal Failure is covered, provided it is not caused by a traumatic event, including surgical traumas.

Coronary Artery Bypass Surgery – undergoing open heart surgery to correct narrowing or blockage of one or more coronary arteries with bypass grafts, but excluding procedures such as, but not limited to balloon angioplasty, laser relief, stints or other non-surgical procedures.

Definitions (continued)

Major Organ Transplant – Having a Major Organ Transplant means undergoing surgery as a recipient of a transplant of a human heart, lung, liver, kidney, or pancreas.

Insured Person(s) –

(A) If this is employee coverage as shown in the Certificate Schedule, we insure the employee.

(B) If this is dependent coverage for the spouse of an eligible insured we insure the Named Insured as shown on the Certificate Schedule Page.

(C) Coverage for dependent children may be included in an attached Rider (if applicable). Coverage for dependent children is subject to the following:

1. For newborn children, the Effective Date is the moment of birth or placement, but we must be given notice of the birth or placement within 30 days. If we receive notice of birth or placement of the child within 60 days, the Effective Date remains the moment of birth. However, we will charge premium for dependents back to the moment of birth or placement when notice is given more than 30 days after birth or placement. Foster children shall be eligible for coverage on the same basis upon placement in a foster home.

2. Newborn Children for which a decree of adoption has been entered by the employee and/or their spouse (or for whom adoption proceedings have been instituted by the employee and/or their spouse), shall be covered automatically from birth regardless of the validity of the adoption agreement. Ultimate placement of the child with the Employee is required. Adopted Children, other than Newborn Adopted Children, shall be covered from the time of placement in the Employee's residence.

3. A child of a covered dependent, other than the employee's spouse, will be covered for 18 months from birth, adoption, or placement.

(D) If any person who would otherwise be an Insured Person is specifically excluded from coverage by endorsement to the Certificate or by the Application, then such person shall not be an Insured person.

(E) Any other additions to the Insured Persons class must be added by endorsement after applying to the company.

Successor Insured - If the Insured dies while covered under this plan, then the surviving spouse shall become the Insured if such spouse is an Insured Person. If there is no surviving spouse covered under this plan, then this plan shall terminate on the next premium due date.

Definitions (continued)

Dependent Children – means the employee's natural children, step-children, foster children, legally adopted children or children placed for adoption, who are under age 26.

Newborn children shall automatically be covered from the moment of birth. The employee must notify us of the birth of a child within 31 days of the birth in order to have the coverage extended beyond 31 days. Adopted children or foster children shall be covered from the time of placement in the employee's residence. If the employee enters into an adoption agreement before a child's birth, coverage shall begin for that child from the moment of birth regardless of the validity of the adoption agreement. Ultimate placement of the child with the employee is required. The employee must notify us within 31 days in order to have the coverage extended beyond 31 days.

If the employee's children are covered under this Rider, children born or placed in the employee's home after the Effective Date of this Rider will also be covered from the moment of birth or placement. No notice or additional premium is required.

Coverage on a Child or Children will terminate on the child's 26th birthday. However, a child of a covered dependent, other than the employee's spouse, will be covered for 18 months from birth, adoption, or placement.

If any child is incapable of self-sustaining employment due to mental retardation or physical handicap and is chiefly dependent on his parent(s) for support and maintenance, the above age of twenty-six (26) shall not apply. Proof of such incapacity and dependency must be furnished to the Company within thirty-one (31) days following such 26th birthday.

Actively at Work-to be considered "actively at work" an employee must perform for a full normal workday the regular duties of his employment at the regular place of business or at a location to which he may be required to travel to perform the regular duties of his employment.

Date of Diagnosis - The date of diagnosis is:

1. **For Cancer and/or Carcinoma in Situ**: The day the tissue specimen, blood samples and/or titer(s) are taken on which the first diagnosis of cancer or carcinoma in situ is based.
2. **For Heart Attack**: The date that the death (infarction) of a portion of the heart muscle occurred based on the criteria listed under the Heart Attack definition.
3. **For Stroke**: The date a Stroke occurred based on documented neurological deficits and neuro-imaging studies.
4. **For end stage Renal Failure**: The date that your doctor or physician recommends that you begin renal dialysis.
5. **For Major Organ Transplant surgery or Coronary Artery Bypass Surgery**: The date the surgery occurs for covered transplants or covered Coronary Artery Bypass Surgery.

Treatment means consultation, care or services provided by a physician including diagnostic measures and taking prescribed drugs and medicines.

Treatment Free means a period of time without the consultation, care or services provided by a physician including diagnostic measures and taking prescribed drugs and medicines.

Waiting Period means the number of days after the Effective Date before we will pay benefits for loss due to a Critical Illness. We won't pay benefits for a Critical Illness that begins during the Waiting Period.