



Insurance Administrative Services
from an Extraordinary Partner

CORPORATE

TRICARE

Supplement

Insurance

Product Proposal

TRICARE is the Department of Defense's medical program for Active Duty and Retired military personnel and their family members. TRICARE Supplement is designed to wrap around TRICARE for military retirees and offer them the opportunity to save in their healthcare expenses.

Submitted to: Vanquish Worldwide

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Table of Contents	Page
Introduction & Overview	2
Product Rationale	3
Product Information	3
Plan Benefit Summary	4
Premium Rates	4
Administration	5-6
Proposal Acceptance Notification	7

Introduction and Overview

What is TRICARE?

TRICARE is the Department of Defense's medical program for Active Duty and Retired military personnel and their family members.

TRICARE Supplement is designed to wrap around TRICARE for military retirees and offer them the opportunity to save in their healthcare expenses. It offers a cost-effective alternative to the seemingly endless increase in employer's healthcare costs. With the Supplement, retired military employees that have embarked upon a second career can opt out of the employer's plan; select TRICARE as their primary plan and the Supplement as secondary.

The Plan Administrator

The TRICARE Supplement Plan is administered by Selman & Company. Selman & Company's staff of 130+ provides a wide variety of organizations with administrative services related to life & health insurance and similar products from our offices in Cleveland & Washington, DC.

For over 30 years, Selman has efficiently and consistently delivered extraordinary service as the finest provider of insurance administrative services for insurance companies, financial institutions, employers and groups of people that share a bond of common affinity. As your partner, Selman & Company strives to consistently provide insurance programs and administrative services distinguished by organizational integrity while remaining flexible, responsive and economical. Our core capabilities include:

- Account Management
- Administrative Services
- Customer Contact
- Claims
- Compliance
- Marketing

Selman & Company is among the largest privately held firms in the nation with focus on the markets in which it serves. As a leader in the administration of TRICARE Supplement plans, Selman is dedicated to meeting the supplementary healthcare needs of members of the military community.

The Underwriter

The TRICARE Supplement Plan is underwritten by Transamerica Premier Life Insurance Company and Transamerica Financial Life Insurance Company for New York residents. Transamerica enjoys some of the highest ratings for financial strength. For current ratings visit: www.transamerica.com/individual/what-we-do/about-us/financial-strength.

Corporate Plan Sponsor

According to federal legislation, all employees who enroll in the TRICARE Supplement Plan must be a member of a sponsoring association. Government Employees Association, Inc. (GEA) is the primary TRICARE Corporate Supplement Plan Sponsor. GEA is a non-profit, tax-exempt organization; incorporated in 1965 in Washington, D.C. GEA was established to provide active and retired federal, state and local government employees (including members of the military and National Guard services) with a network of resources including access to valuable supplemental insurance plans.

Rationale for Offering TRICARE Supplement Insurance

By allowing GEA and Selman & Company to offer the supplement to your employees and their families who are TRICARE eligible, the employer may save significantly in healthcare costs. Selman & Company has created this program to be as, if not more, comprehensive as any major medical plan currently being offered, at a fraction of the cost.

Those who select the GEA TRICARE Supplement Plan will have their claim filed by the provider with TRICARE first. Once TRICARE has completed processing, members submit their TRICARE Explanation of Benefits statement (EOB) to Selman & Company's claims office. Between TRICARE and the TRICARE Supplement Plan, nearly 100% of eligible charges are covered after a low plan deductible is met. The TRICARE Supplement Plan is guarantee issue, so all retired non-Medicare military may join, regardless of rank or branch of service. This plan is also offered without a pre-existing condition clause and employees have the flexibility and freedom to choose civilian doctors and hospitals.

Offering the TRICARE Supplement Plan is a win/win situation for you and your eligible employees. The plan carves out an older segment of prospective employees, potentially lowering the claims experience of your current health plans. With lower claims experience and lower average age of your group, premiums on your group medical plan may decrease.

Corporate TRICARE Supplement Product

The TRICARE Supplement Plan has continually been refined and updated to meet the needs of TRICARE-eligible service members and their families. The result is our current TRICARE Standard/Extra Supplement product which has been on the market for several years. This product has had excellent results with employers and their employees.

The rates and benefits are competitive with other products in the supplemental market. The TRICARE Supplement Plan can be made available to eligible employees on a pre-tax basis through a qualified cafeteria plan under Section 125. Your employees can enjoy pre-tax savings in their premium costs and gain access to healthcare that is available worldwide. In addition to the competitive price, the following special features make this program an attractive buy for all TRICARE eligible, retired service members interested in supplementing their government entitlements:

- Offered on a pre-tax basis
- Virtually 100% coverage between TRICARE and the TRICARE Supplement, up to legal limit
- Guaranteed acceptance; no medical examination required to apply
- Pays TRICARE prescription co-pays
- No pre-existing condition clause
- Covers cost shares and co-pays (including prescription drugs)
- Covers TRICARE deductibles
- Freedom of choice; no referrals required
- Fully portable if employment ends for any reason

Corporate TRICARE Supplement Plan Benefit Summary

(TRICARE Supplement Policy MZ0925782H0000A Plan Deductible: \$100 per person | \$200 per family)

CARE REQUIRED	TRICARE STANDARD EXTRA PAYS	THE SUPPLEMENT PLAN PAYS
INPATIENT FACILITY SERVICES in civilian hospitals for RETIREES and their dependent family members (room, board, supplies and staff services billed by the hospital).	The TRICARE Standard DRG ¹ allowed amount (contracted rate for TRICARE Extra minus your cost share).	The lesser of \$708 per day or 25% of the billed amount, not to exceed the TRICARE Standard DRG ¹ amount (lesser of \$250 per day or 20% cost share of the contracted rate for TRICARE Extra).
INPATIENT PROFESSIONAL SERVICES in civilian hospitals for RETIREES and dependent family members (doctors, and other inpatient services not billed by the hospital).	75% of the TRICARE Standard allowed amount (80% for TRICARE Extra) for doctors and other professional services.	Your 25% Standard/20% Extra cost share PLUS 100% of Covered Excess Charges up to Legal Limit.
INPATIENT CARE in military hospitals.	The daily subsistence fee.	The daily subsistence fee.
OUTPATIENT CARE for RETIREES and their dependent family members (office visits, clinics, lab, etc).	75% of the TRICARE Standard allowed amount (80% for TRICARE Extra) after you pay the TRICARE Outpatient Deductible.	Your 25% Standard/20% Extra cost share and 100% of the TRICARE Outpatient Deductible ² of \$150 per person or \$300 per family PLUS 100% of Covered Excess Charges up to Legal Limit.

The above is only a summary of benefits. For full plan details you must consult plan documents.

¹Diagnosis Related Group (DRG): Established standard hospital stays for categories of medical conditions.

²Reimbursement toward the fiscal year TRICARE Standard Outpatient Deductible is made only if the deductible is incurred after the effective date of coverage.

Premium Rates

Enrollment in the Supplement Plan requires membership in GEA, for which monthly dues of \$1.50 are included in the premiums below. Upon receipt of premium payments, the membership dues will be remitted to GEA, immediately.

Employers with employee population of less than 20 may sponsor and pay the monthly premium for their employees. Employees hired under Davis-Bacon Rule and Service Contract Act can use the benefit allowance to pay premium for this plan. Employer groups of 20 or more employees cannot sponsor or share the cost of the corporate TRICARE Supplement Plan. This product can be offered pre-tax through a cafeteria plan without a pre-existing condition exclusion.

COVERAGE TYPE	MONTHLY PREMIUM COST
Employee Only	\$67.50
Employee Plus Child(ren)	\$132.50
Employee Plus Spouse	\$132.50
Family	\$178.50

Administration

Selman & Company has extensive experience in understanding client needs to provide seamless administration. Selman & Company's strategic focus from a technology perspective has been to create an infrastructure that provides for flexibility, data security, scalability and allows us to leverage technology and maximize efficiencies.

State-of-the-Art Administrative System Features

- **Integrated Insurance Administration** - Supports the entire product and policy lifecycle from product development to claims.
- **Integrated Document Management** - Allows for all correspondence and fulfillment materials to be generated, archived and viewed.
- **Reporting Database** - Permits ad hoc reporting on just about anything if it's not already available in one of several hundred standard reports.

Administrative Services

- Automated enrollment
- Imaging/workflow/bar coding
- Automated certificate issue/fulfillment
- Electronic fulfillment
- Policy administration/history
- Automated payment processing
- Emphasis on quality and client flexibility

Customer Contact

The goal of the Customer Service Department is to deliver extraordinary service in an efficient and empathetic manner every time. Representatives respond to all telephone and written inquiries and these can run the spectrum from:

- Product availability
- Application status
- Billing or payment status
- Explanation of benefits
- Claim filing information
- Reinstatement requests
- Verifications

We continually search for ways to focus on the experience customers want to have and recognize the need to be consumer friendly and easy to do business with. We currently support email communications and are also able to provide web self-service capabilities.

Product Awareness / Open Enrollment Initiatives

Selman & Company is adept at delivering turn-key, targeted and powerful marketing campaigns by leveraging and integrating multiple communication tools to maximize target audience impact. With employer's approval, Selman & Company will launch a series of enrollment initiatives, including:

- Personalized Client Portals with Online Enrollment Capabilities
- Email Marketing
- Product Brochures & Inserts
- Open Enrollment Meetings & Materials
- Employee Presentations
- Benefits Fair Participation

Billing

Selman & Company offers two options in premium billing of (1) List Bill and (2) Self Bill.

Claims Administration

We understand that timely and quality claims handling is the true foundation of any insurance offering. We have extensive experience in providing claim services for a wide variety of life and health insurance programs.

- Fully integrated billing, administrative and claim payment system
- Processing control including authority limits at both aggregate and adjuster levels
- Audit rules based on Payment Amount and Volume
- Comprehensive workflow management & imaging for paperless processing
- Comprehensive reporting and analysis to manage and monitor utilization and trends
- On-line self-service

Compliance

We are committed to and make the necessary investments to do things right. As your partner in providing extraordinary insurance programs and administrative services, we are an extension of you and we take the trust you place in us very seriously. This means we take all necessary measures to continuously assure our products and services comply with all regulatory requirements and to assure the integrity and security of our data and systems.

Proposal Acceptance Notification

Please sign and date below and return to Selman & Company. We will implement this plan of coverage with the benefits, terms and rates as outlined effective on: _____

Client Information

Proposal Submitted To: Vanquish Worldwide

Name (please print): _____

Title: _____

Signature: _____ Date: ___ / ___ / ___

Broker Information

Name (please print): _____

Title: _____

Signature: _____ Date: ___ / ___ / ___