

FREQUENTLY ASKED QUESTIONS

ABOUT PLAN PARTICIPATION

Who is this plan for?

ArmadaCare's Executive Health program is an exclusive benefit designed for key personnel of an organization; whomever the client wishes to reward with a superior benefit product. The client can decide the class of employees to include, and since the program is fully insured, it can be provided on a discriminatory basis under Section 105(h).

Who is eligible for the plan?

Eligible members include employees, board members or the surviving spouse of an employee who is covered by the company's core health plan and who has been named as part of the eligible class by the company. In most states, Executive Health can be made available to retirees and provide supplemental benefits to both commercial health plans as well as Medicare.

All members of the selected class must be included, but you have a lot of flexibility in defining the class. Those selected, as well as their dependents, are eligible for coverage as long as they continue to be covered under the core health plan.

What coverage type is available?

There are three coverage types: Employee, Employee plus One, and Family.

The ArmadaCare Executive Health coverage type must match the coverage type elected in the core health plan. For example, if the employee has elected family coverage in the company's core health plan, then he/she must also have family coverage under ArmadaCare's Executive Health program.

What are the plan design options?

The primary plan option is our \$100,000 annual aggregated benefit. This plan has two versions depending on the size of the group. The larger group version offers an across the board \$10,000 per occurrence per covered person limit. A client can choose Executive Medical Reimbursement as a stand-alone program or pair it with our premier Clinical Concierge and Advocacy service.

What are the requirements for the underlying health plan?

Our product coordinates with virtually any underlying health plan design, thus allowing companies and their advisers full flexibility in implementing a core plan that meets overall business objectives. This flexibility feature is in sharp contrast to traditional reimbursement programs that contain minimum core plan requirements, many of which are out of step with contemporary health plan design.

What is the minimum number of participants?

We require a minimum of 3 participating executives. A minimum of 15 participants is needed for the \$10,000 internal limit plan. Further, we cannot write our plans for businesses that have less than 10 total employees (not participants).

Does the maximum annual benefit renew each anniversary?

Yes. The benefit is annual and starts anew when the client renews the policy.

What expenses are covered?

Generally, expenses covered under Section 213 of the IRS code are covered (See policy for more information.). Examples of covered expenses include:

- Deductibles , co-insurance, co-pays
- Out-of-network charges
- Balance billings
- Dental care and orthodontia
- Annual physicals, preventive care
- Vision care as well as eye glasses, contact lenses and Lasik eye surgery
- Professional nursing services
- Prescription drugs
- Expenses for nervous and mental disorders
- Treatment of alcohol and drug abuse
- Private-duty nursing
- Chiropractic services

There are a host of covered medical services that executives would find attractive and thus are highlighted in program promotions, such as crowns, bridges, orthodontia, laser surgery, eyeglasses and contact lenses, and private hospital rooms. Each year there is also reimbursement for a high-end Executive Physical for a covered employee and spouse at a renowned facility. Our Clinical Advocates can research and arrange these appointments.

What expenses aren't covered?

There are exclusions and limitations as outlined in the plan policy. Exclusions under the policy include:

- Losses due to war
- Expenses the covered individual is not legally obligated to pay
- Services that are not medically necessary
- Service contracts or warranties relating to vision care
- Custodial care
- Hospitalization, services, treatment or supplies furnished by a government agency
- Cosmetic surgery

How does reimbursement work?

Reimbursement is easy and fast. When a member receives an Explanation of Benefits statement for services from their health plan, he/she sends the EOB with a claim form to our carrier for reimbursement. Reimbursement generally takes 5 days and is continuously processed rather than batch processed.

Is there a waiting period for pre-existing conditions?

There is no waiting period. There is no medical underwriting required for this plan, so there is no concern about a pre-existing condition.

Does the maximum annual benefit per occurrence per individual include medical evacuations?

No. The medical evacuation benefit is not subject to the overall or internal limits of the medical reimbursement component of the plan. The benefit is available when more than 150 miles away from home and up to two evacuations per family per year as part of the Executive Health Management component.

How much does the product cost?

Pricing is individually quoted for each company and is based on a few simple parameters of the company's core health plan, demographic and location information. To receive a quote, contact ArmadaCare for a Request for Proposal form or complete the online form at www.armadacare.com.

ArmadaCare offers both an Executive Medical Reimbursement product and a fully integrated Executive Clinical Concierge and Advocacy service, yet compares favorably with stand-alone medical reimbursement programs. It also offers companies an opportunity to reallocate current spending on executive physicals or core health plans to support the addition of this program.

What are the tax benefits?

For the Executives:

Typically, employees will not pay taxes on benefits received from participation in ArmadaCare's Executive Health programs. In a self-insured medical reimbursement plan, payments to participants would be taxable. Because ArmadaCare's Executive Health program is structured as a fully-insured plan, payments to participants are tax-free.

For the Company:

Premiums are generally tax deductible as reasonable and customary business expenses.

As with any tax matter, we advise clients to consult their legal and tax advisors to determine federal and state tax ramifications.

WHY CONSIDER ARMADACARE?

What makes ArmadaCare's Executive Health program more compelling than other medical reimbursement products?

- **More flexibility in plan design** – ArmadaCare's Executive Health program allows the company total flexibility in the design of their core health plan. This feature of our product is in sharp contrast to traditional reimbursement programs that contain minimum base plan requirements, many of which are out of step with contemporary health plan design.
- **Less hassle** – Our service is built for busy executives who have limited time available. With our support, they will actually save time and the hassles of dealing with the healthcare system. With just one phone call, members get access to top medical care or help managing an emergency.

Our reimbursement process is easy and fast, eliminating cumbersome back and forth process steps and monthly batch processing of claims. Instead, we process claims continuously and directly from executives. Generally claims are turned around in less than 5 days from submission.

- **A true fully-insured, full risk-transfer product** Self-insured or cost-plus plans are not afforded the same tax benefits as an insured plan under current tax regulations thus creating a tax liability risk for clients. In order to realize the valuable tax benefits of a medical reimbursement plan, it's important that your plan is a fully-insured product. The only available full risk transfer, insured product on the market is ArmadaCare's Executive Health program.
- **360°Healthcare Support** – ArmadaCare's Executive Health program delivers what people want most from healthcare: personal assistance, expedited access to top-ranked doctors, and overall peace of mind during health situations. It will become your client's employees' most valued benefit.

Why should my client enroll executives in this program instead of an HRA or HSA?

Health Savings Accounts (HSA) and Health Reimbursement Accounts (HRA) are increasingly being evaluated by companies as a component of an overall health plan strategy. When implemented, they must be made available to all employees and not on a discriminatory basis.

In contrast, ArmadaCare's Executive Health program can be provided only to key employees on a selective basis. It can wrap around any underlying health plan without limitations or restrictions on design and will provide up to \$100,000 in annual benefits to selected employees on a tax preferred basis, significantly more than can be offered in an HRA or HSA. In addition, our program provides an Executive Health Concierge and Advocacy program, unparalleled in service and benefits.

Is the Clinical Concierge service just another dial-a-nurse service?

An emphatic No. While ArmadaCare's Executive Health Concierge and Advocacy service is available 24/7 like nurse services, those services simply triage patients. There is no further involvement. Our professionals help manage medical emergencies and health situations with end-to-end support. They will also arrange appointments, provide follow-up and medical intelligence, and arrange air ambulance services, if needed.

What is the commission rate for brokers?

ArmadaCare's Executive Health program offers a significantly more attractive compensation program compared to other medical reimbursement programs. We recognize that there is time and effort involved in bringing our product to your clients. Contact us for more information.

How do I obtain a quote?

Contact ArmadaCare for a Request for Proposal form or visit our website at www.armadacare.com to fill out our online RFP. It is simple to complete, requiring only a few details about your core health plan, demographics and location.