

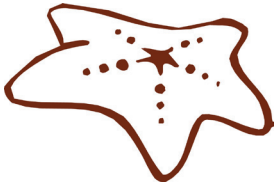


Age gracefully with less stress the TAGCO MET Retiree Medical way

TAGCO MET Employer Client Proposal

Public Employer
Group Retiree
Medical Insurance





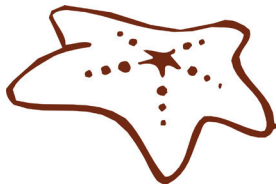
TAGCO MET Carrier Employer Group Retiree Medical Plans

TAGCO Associates, LP and TAGCO MET Group Retiree Medical benefits provide a range of group medical and Rx solutions for Medicare beneficiaries and administrative services that help employers provide quality Retiree Medical benefits to their valued former employees.

Choose TAGCO Associates, LP and TAGCO MET Plans

- ✓ Established Employer Group Retiree Medical Agency
- ✓ Employer Group Retiree Medicare specialists
- ✓ Offer multiple Employer Retiree Medical plan options
- ✓ Provide Employer Group Medicare Part D plans
- ✓ Deliver employer administrative services
- ✓ Represent national Retiree Medical carriers





TAGCO MET Employer Group Retiree Medical Plans offer employers and retirees experience, flexibility and integrity.

TAGCO MET Carrier Employer Group Retiree Medical Plans offer

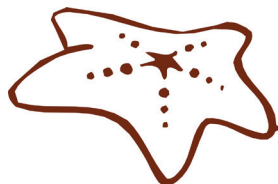
- ✓ TAGCO MET fully-insured Group Retiree Medical plans for post-65 retirees;
- ✓ TAGCO MET Group Retiree Medical plans that integrate with Medicare;
 - Employer plans designed and rated specifically for retirees;
 - Retiree Medical plans designed to cover, in part or in full, many of the medical expenses not covered by Medicare;
- ✓ Medicare Part D (PDP) program

TAGCO MET Carrier Employer Group Retiree Medical Plan features

- ✓ Freedom to choose medical care providers & hospitals;
- ✓ Foreign travel benefits;
- ✓ Guaranteed issue coverage for the retiree, spouse or surviving spouse;
- ✓ Electronic claims processing and payment cross-over with Medicare;
- ✓ Pre-existing coverage credit;
- ✓ National group rates

TAGCO MET Carrier Employer Group PDP features

- ✓ Nationwide Medicare-approved Prescription Drug Plan (PDP);
- ✓ National provider network pharmacies;
- ✓ Multiple plan designs;
- ✓ Guaranteed Issue (eligibility requires Centers of Medicare and Medicaid Services (CMS) approval);
- ✓ Claims adjudication at local pharmacy;
- ✓ Mail order 90-day supply right at the local pharmacy



TAGCO MET Carrier Employer Prescription Drug Plan (PDP)

TAGCO MET Carrier Employer Group Part D Rx coverage is issued in tandem with TAGCO MET Carrier Employer Group Retiree Medical plans.

TAGCO MET Employer Group Retiree Medical plans can be issued with a TAGCO MET Employer Group Prescription Drug Plan (PDP). Such TAGCO MET Employer Group PDP offerings are different from Medicare Part D Individual plans. It is important that employers and retirees alike understand the differences between individual and group PDP programs and what options are available to them. Therefore, it is critical for employers to help Medicare beneficiaries understand their options.

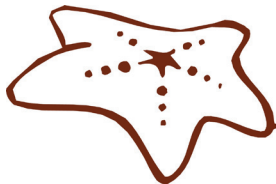


Medicare Part D prescription drug plan

Medicare Part D is stand-alone drug plan offered by insurance and other private companies to add prescription drug coverage to original Medicare benefits.

Choose TAGCO MET Carrier Employer Group Medicare Part D coverage

TAGCO MET carrier(s) provides Medicare-approved Employer Group PDP coverage with an extensive list of available drugs and a variety of plan designs



TAGCO MET Proposal for Employer Group Retiree Medical and Employer Medicare Part D Prescription Drug Plan(s)

Participating Firm:

<Participating Firm>

Agent/Producer of Record:

Situs State of Firm:

Sub-agent of Record:

Retiree Medical Benefits

Underwritten by: TAGCO MET Carrier

Participating Firm's Effective

Date:

Medicare Part D Benefits

Sponsored by: TAGCO

MET Carrier

Prescription Drug Plan Name:

Proposal effective dates:

The Proposal effective date is <Date>; it will not be valid beyond <Date (90 days from effective date)> unless extended in writing by TAGCO Associates, LP or its administrator.

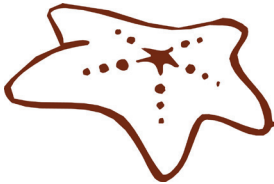
This Proposal is based on the following assumptions:

TAGCO MET Participation Agreement: <Participating Firm> agrees that they will be joining the TAGCO MET and receiving group coverage at group rates. A TAGCO MET Participation Agreement must be signed by each firm.

Replacement Coverage: This proposal reflects medical and Rx plan designs and benefits payable as determined by TAGCO MET Carrier(s). This insurance plan and the resulting benefit payments are not intended as full replacement of any existing benefit plan and that plan's payment procedures. The contract for this coverage is between the TAGCO MET and TAGCO MET Carrier(s).

Plan Sponsorship: TAGCO MET Carrier(s) plan(s) may be the only group insurance plan sponsored by the <Participating Firm>.

Eligibility: All retirees of <Participating Firm> and their dependent spouses or surviving spouses age 65 or older and who are enrolled in Medicare Parts A & B are eligible for TAGCO MET coverage.



TAGCO Multiple Employer Trust Proposal

Underwriting Requirements for the TAGCO Multiple Employer Trust Program

- ✓ Minimum participation requirement—two (2) eligible lives;
- ✓ Maximum group size of up to 250 participating retiree lives plus spouses or surviving spouses;
- ✓ The <Participating Firm> should not be involved in a bankruptcy filing, unless filing is necessary for restructuring;
- ✓ Premium contribution by the <Participating Firm> is only towards this coverage and the Firm will not sponsor or contribute towards any other group medical plan for the eligible retirees.

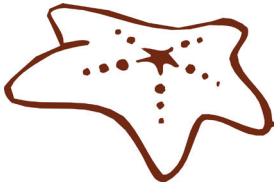
Coverage is not available to Medicare Disables under age 65.

Claims Experience for the TAGCO Multiple Employer Trust is pooled together with all of the other firms under the TAGCO MET. The TAGCO MET experience is reviewed once a year and, if necessary, adjustments are implemented on January 1st.

Rate and Benefit Changes If applicable, benefit changes for the TAGCO MET program will occur on January 1st of any year. The rates and benefits in this TAGCO MET Proposal are guaranteed for a minimum of three (3) months. Any rate and/or benefit change will occur on the later of January 1st or three (3) months from the Firm's effective date under the TAGCO MET.

Rates may be changes based on 1) changes in Medicare, 2) State and/or Federal legislation affecting TAGCO MET Employer Group Retiree Medical policies, including policies supplementing Medicare and/or 3) the experience of all policies written to the TAGCO MET.

If the <Participating Firm> pays 50% or more of the monthly premium, the insured policy certificate holders will receive a composite rate. However, if the <Participating Firm> pays 49% or less of the premium, the insured policy certificate holders will receive banded and attained age rates.



TAGCO Multiple Employer Trust Proposal, *continued*

Medical Enrollment: Unless offered on a voluntary basis by <Participating Firm>, all existing insured's from the firm's current plan must roll over to the TAGCO Multiple Employer Trust Program. Dependent spouses are optional and may elect to enroll themselves into the same plan as the retiree, as elected by the firm. After the initial enrollment period, an eligible retiree or eligible spouse may enroll within the 30 days of the date they become eligible.



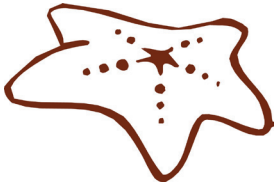
Billing: A list bill will be sent to <Participating Firm> if the firm is contributing 100% of the premium. A combined/split billing will be sent if <Participating Firm> is contributing a portion of premium. A list bill will be sent to the Firm for the Firm's portion and the retiree or spouse will be billed directly for their portion, with bank draft as an option.

Participating Firm's Contribution: <Participating Firm> may offer TAGCO MET plans on a mandatory or voluntary basis. There is no minimum employer contribution for dependent spouses.

Conditions: The Proposal contained herein is contingent upon <Participating Firm> being an employer group providing a welfare benefit plan and 2) <Participating Firm> has not filed for bankruptcy or is in the process of filing bankruptcy, unless it is in the process of restructuring.

Plans & Premium: <Participating Firm> will select one (1) plan to offer to each eligible person for residents of all eligible states. <Participating Firm> will select one (1) plan to offer for each eligible person in each eligible state.

Effective date of coverage: <Participating Firm> coverage can be implemented for any first day of the month during the calendar year.



TAGCO Multiple Employer Trust Proposal, *continued*

MEDICAL ADMINISTRATION FUNCTIONS

Premium, Billing & Enrollment Administrator: Group Administrative Concepts, Inc.

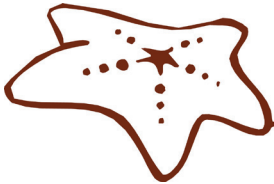
Administrative functions: Carrier(s) eligibility maintenance, employer and/or retiree billing, certificate issue, marketing and enrollment and related customer service;

Claims Administrator: TAGCO MET Medical Carrier

Administrative functions: Claims payment—including processing and adjudication of and claims related customer service;

Limitations & Exclusions: The TAGCO MET Carrier Employer Group Retiree Medical Plan(s) does not cover any expense that is not a Medicare eligible expense or beyond the limits imposed by Medicare for such expenses or excluded by name or specific description by Medicare, except as specifically provided in the policy; any portion of a covered expense to the extent paid by Medicare; benefits payable under one benefit of the policy to the extent covered under another benefit of the policy; or expenses incurred after coverage terminates, except as stated in the extension-of-benefits provision of the policy;

This is a brief description of the policy's key features offered by the TAGCO MET Carrier Employer Group Retiree Medical Plan and does not represent all terms and conditions, as provide in the TAGCO MET Participation Agreement. This TAGCO MET Proposal does not represent binding of insurance.



TAGCO Multiple Employer Trust Proposal, *continued*

The TAGCO MET Medical/Rx Proposal is based on the following assumptions:

Replacement Coverage: This proposal reflects plan designs and benefits payable as determined by TAGCO MET Employer Group Retiree Medical and Rx Carriers. Information contained herein includes a Medicare Part D approved prescription drug plan that is considered Creditable Coverage and is not intended as full replacement of any existing benefit plan. The contract for this coverage(s) is between the <Participating Firm> and The TAGCO MET and its TAGCO MET Employer Group Retiree Medical and/or Rx Carriers;

Plan Sponsorship: <Participating Firm> may elect to sponsor only a medical plan and not include Rx benefits. The TAGCO MET Carrier Employer Group Waiver PDP sponsored by the <Participating Firm>. The <Participating Firm> will need to determine any restrictions will apply should a person elect to enroll in another PDP program (i.e. retiree opts out of TAGCO MET Carrier Rx plan);

Eligibility: All retirees of <Participating Firm> and their dependents Age 65 and over and/or persons who are Medicare eligible and are approved by CMS (Centers for Medicare and Medicaid Services);

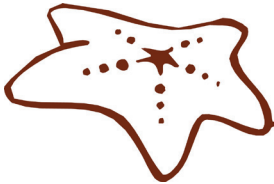
State Availability: Please see TAGCO MET Carrier(s) states map in this TAGCO MET Proposal document;

Enrollment: Refer to Medical Enrollment; each eligible person must be approved by CMS before Rx coverage may become effective. If a person elects to opt-out of Rx coverage and enroll in another PDP program, the <Participating Firm> may require restrictions (refer to Plan Sponsorship);

Billing: Refer to Medical Billing; Employer's Contribution: X% of the cost of the premium for both the retiree and their dependent or \$X towards the cost of the premium for both the retiree and their dependent; (refer to Plan Sponsorship for any restrictions);

Conditions: The TAGCO MET Proposal is contingent upon the <Participating Firm> being an employer group providing welfare benefit plan;

Plans & Premium: <Participating Firm> may select one (1) TAGCO MET Carrier Employer Group Retiree Medical Plan and one (1) TAGCO MET Carrier Employer Group PDP to be issued in tandem with TAGCO MET Employer Group Retiree Medical Plan.



TAGCO Multiple Employer Trust Proposal, *continued*

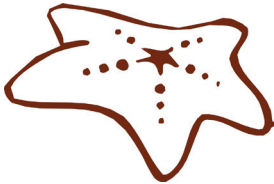
Rx Billing & Enrollment Administrator: Group Administrative Concepts, Inc.

Administrative functions: Carrier(s) eligibility maintenance; certificate issue, employer and/or retiree billing, certificate issue, marketing and enrollment and related customer service

Prescription Drug Plan Administrator: TAGCO MET Employer Group Rx Carrier

Administrative functions: Claims payment—including processing and adjudication of Rx claims and related customer service





TAGCO MET Group Retiree Medical Program Process

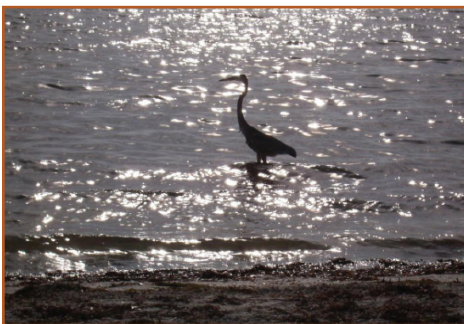
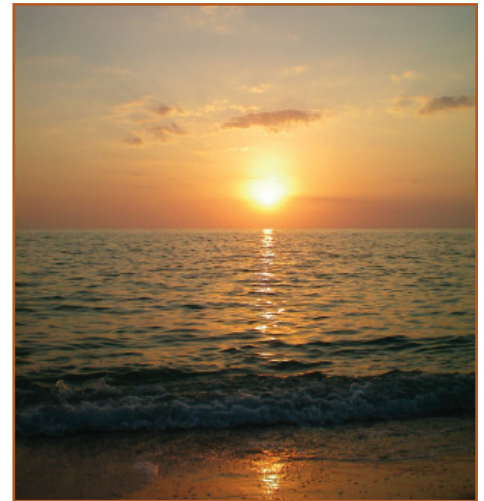
Contact TAGCO Associates, LP or Group Administrative Concepts, Inc. to discuss the plan design(s) and request a TAGCO MET Participation Agreement.

Tom Geib at (800) 866-8056
tgeib@tagcoassociates.com or

John Provenzano at (800) 275-2147
jprovenzano@gacbenefits.com

Mail TAGCO MET Participation Agreement, along with census information for both the retiree(s) and spouse(s) or surviving spouse(s), to Group Administrative Concepts, Inc. The census information will be distributed to the administrators named in this proposal and must include the following:

- ✓ Name of each person (first, last, and middle initial)
- ✓ Identification of each eligible person (Retiree/Widow/Widower vs. Dependent)
- ✓ Gender
- ✓ Social Security Number
- ✓ Mailing address
- ✓ HIC number



A signed TAGCO MET Participation Agreement and census must be sent to TAGCO Associates, LP or Group Administrative Concepts, Inc. at least 45 days prior to the effective date of the policy. Otherwise—TAGCO MET Administrator will not guarantee materials and/or coverage prior to the cases effective date.