

SERFF Tracking Number: ICCI-125880839 State: Arkansas  
Filing Company: Pan-American Life Insurance Company State Tracking Number: 40723  
Company Tracking Number: OPD-08-P  
TOI: H17G Group Health - Prescription Drug Sub-TOI: H17G.000 Health - Prescription Drug  
Product Name: Pan-American Oupatient Drug Policy  
Project Name/Number: Pan-American Oupatient Drug Policy/Pan-American Oupatient Drug Policy OPD-08-P

## Filing at a Glance

Company: Pan-American Life Insurance Company

Product Name: Pan-American Oupatient Drug Policy SERFF Tr Num: ICCI-125880839 State: ArkansasLH

TOI: H17G Group Health - Prescription Drug SERFF Status: Closed State Tr Num: 40723  
Sub-TOI: H17G.000 Health - Prescription Drug Co Tr Num: OPD-08-P State Status: Approved-Closed  
Filing Type: Form Co Status: Reviewer(s): Rosalind Minor  
Author: Brenda Dawson Disposition Date: 11/04/2008  
Date Submitted: 10/30/2008 Disposition Status: Approved-Closed

Implementation Date Requested: On Approval

Implementation Date:

State Filing Description:

## General Information

Project Name: Pan-American Oupatient Drug Policy  
Project Number: Pan-American Oupatient Drug Policy OPD-08-P  
Requested Filing Mode:  
Explanation for Combination/Other:  
Submission Type: New Submission  
Overall Rate Impact:  
Filing Status Changed: 11/04/2008  
State Status Changed: 11/04/2008  
Corresponding Filing Tracking Number:  
Filing Description:  
See attached cover letter and forms.

Status of Filing in Domicile:  
Date Approved in Domicile:  
Domicile Status Comments:  
Market Type: Group  
Group Market Size: Small and Large  
Group Market Type: Employer

Deemer Date:

## Company and Contact

### Filing Contact Information

(This filing was made by a third party - insurancecomplianceconsultantsinc)

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Brenda Dawson, Authorized Representative      Brendadawson@inscompliance.com  
519 Colman Center Drive      (815) 316-6714 [Phone]  
Rockford, IL 61108      (815) 316-6720[FAX]

**Filing Company Information**

Pan-American Life Insurance Company      CoCode: 67539      State of Domicile: Louisiana  
1300 Godward Street NE      Group Code:      Company Type:  
Suite 6800  
Minneapolis, MN 55413      Group Name:      State ID Number:  
(612) 331-0112 ext. [Phone]      FEIN Number: 72-0281240  
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## Filing Fees

Fee Required? Yes  
Fee Amount: \$50.00  
Retaliatory? No  
Fee Explanation:  
Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Pan-American Life Insurance Company	\$50.00	10/30/2008	23584151

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## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Approved-Closed	Rosalind Minor (FM)	11/04/2008	11/04/2008
Approved-Closed	Rosalind Minor	10/31/2008	10/31/2008

### Amendments

Item	Schedule	Created By	Created On	Date Submitted
Certificate of Insurance	Form	Brenda Dawson	11/04/2008	11/04/2008

*SERFF Tracking Number:*      *ICCI-125880839*                      *State:*                      *Arkansas*  
*Filing Company:*              *Pan-American Life Insurance Company*              *State Tracking Number:*      *40723*  
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*Project Name/Number:*              *Pan-American Outpatient Drug Policy/Pan-American Outpatient Drug Policy OPD-08-P*

## **Disposition**

Disposition Date: 11/04/2008

Implementation Date:

Status: Approved-Closed

Comment: I have approved the replaced certificate that reflects the definition of usual, reasonable and customary effective on this date.

The rest of the filing will remain approved 10/31/08.

Rate data does NOT apply to filing.

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<b>Item Type</b>	<b>Item Name</b>	<b>Item Status</b>	<b>Public Access</b>
<b>Supporting Document</b>	Certification/Notice	Approved-Closed	Yes
<b>Supporting Document</b>	Application	Approved-Closed	Yes
<b>Supporting Document</b>	Cover letter	Approved-Closed	Yes
<b>Supporting Document</b>	Fee Schedule	Approved-Closed	Yes
<b>Supporting Document</b>	Pan American Authorization letter for Outpatient Prescription Drug Policy	Approved-Closed	Yes
<b>Form</b>	Group Outpatient Prescription Drug Policy	Approved-Closed	Yes
<b>Form (revised)</b>	Certificate of Insurance	Approved-Closed	Yes
<b>Form</b>	Certificate of Insurance	Replaced	Yes
<b>Form</b>	Employer Application	Approved-Closed	Yes
<b>Form</b>	Employee Application	Approved-Closed	Yes
<b>Form</b>	Policy Amendatory Endorsement	Approved-Closed	Yes
<b>Form</b>	Certificate Amendatory Endorsement	Approved-Closed	Yes

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## **Disposition**

Disposition Date: 10/31/2008

Implementation Date:

Status: Approved-Closed

Comment:

Rate data does NOT apply to filing.

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<b>Form (revised)</b>	Certificate of Insurance	Approved-Closed	Yes
<b>Form</b>	Certificate of Insurance	Replaced	Yes
<b>Form</b>	Employer Application	Approved-Closed	Yes
<b>Form</b>	Employee Application	Approved-Closed	Yes
<b>Form</b>	Policy Amendatory Endorsement	Approved-Closed	Yes
<b>Form</b>	Certificate Amendatory Endorsement	Approved-Closed	Yes

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**Amendment Letter**

Amendment Date:  
 Submitted Date: 11/04/2008

**Comments:**

Please find attached revised Certificate OPD-08-C. On page 8 the definition of Usual, Reasonable and Customary was revised to delete the word "generic" in the second line.

We respectfully request the Department to replace the Certificate originally provided for the one attached.

Your continued review for approval is greatly appreciated. Thank you.

**Changed Items:**

**Form Schedule Item Changes:**

**Form Schedule Item Changes:**

Form Number	Form Type	Form Name	Action	Form Action Other	Previous Filing #	Replaced Form #	Readability Score	Attachments
OPD-08-C	Certificate	Certificate of Revised Insurance					46	OPD-08-C 11-04-08.pdf

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## Form Schedule

**Lead Form Number:** OPD-08-P

Review Status	Form Number	Form Type	Form Name	Action	Action Specific Data	Readability	Attachment
Approved-Closed	OPD-08-P	Policy/Cont	Group Outpatient ract/Fratern al Policy Certificate	Initial		50	OPD-08-P.pdf
Approved-Closed	OPD-08-C	Certificate	Certificate of Insurance	Revised	Replaced Form #: Previous Filing #:	46	OPD-08-C 11-04-08.pdf
Approved-Closed	OPD-08-ERAPP	Application/	Employer Application Enrollment Form	Initial		50	OPD-08- ERAPP.pdf
Approved-Closed	OPD-08-EEAPP	Application/	Employee Enrollment Application Form	Initial		74	OPD-08- EEAPP.pdf
Approved-Closed	OPD-08-P-AE1	Policy/Cont	Pollicy Amendatory ract/Fratern al Certificate: Amendmen t, Insert Page, Endorseme nt or Rider	Initial		50	AR OPD-08- P-AE1.pdf
Approved-Closed	OPD-08-C-AE1	Certificate	Certificate Amendatory Amendmen t, Insert Page, Endorseme nt or Rider	Initial		50	AR OPD-08- C-AE1.pdf

**PAN-AMERICAN LIFE INSURANCE COMPANY**

**PAN-AMERICAN LIFE CENTER, NEW ORLEANS, LOUISIANA 70130**

**GROUP OUTPATIENT PRESCRIPTION DRUG INSURANCE POLICY**

**POLICYHOLDER:** [ABC Employer]  
**POLICY EFFECTIVE DATE:** [September 1, 2008]  
**POLICY ANNIVERSARY DATE:** [September 1<sup>st</sup>]  
**POLICY NUMBER:** [OPD-08-P-1]  
**STATE:** [XXXXXXX]

**INSURING AGREEMENT**

**Pan-American Life Insurance Company (We, Our, Us, Company)** agrees to pay the benefits provided in this Policy. Benefits will be paid in accordance with the provisions of this Policy for each Insured who is due benefits.

This Policy is issued in consideration of the Policyholder's application and the payment of premiums when due. A copy of the application is attached to and is a part of this Policy.

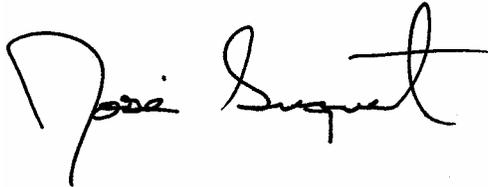
This Policy will take effect on the Date shown above. This Policy's Anniversary will be the Policy Anniversary Date shown above and on the same date in each subsequent year.

This Policy is delivered in and is subject to the laws of the state shown above.

**READ THIS POLICY CAREFULLY**

In witness whereof, Pan-American Life Insurance Company executes this Policy on the Effective Date shown above.

**PAN-AMERICAN LIFE INSURANCE COMPANY**



President and Chief Executive Officer

**GROUP OUTPATIENT PRESCRIPTION DRUG POLICY  
NONPARTICIPATING**

**PAN-AMERICAN LIFE INSURANCE COMPANY  
HOME OFFICE: 601 POYDRAS, NEW ORLEANS, LA 70130**

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## **ELIGIBILITY**

### **WHO IS ELIGIBLE?**

All active, full-time Employees [and Retirees] as shown on the Employer's application including active, full-time owners or partners, except for part-time or temporary employees, are eligible. Those employed on the date the firm becomes insured with Us are eligible on that date. New employees hired after that date are eligible upon a waiting period selected by the Policyholder.

### **WHEN DOES COVERAGE BEGIN?**

Outpatient Prescription Drug benefits begin on the effective date which is the [first/15<sup>th</sup>] day of the month following enrollment and completion of the Waiting Period shown on the Schedule of Benefits, if any, if:

1. the Insured Person has been enrolled before the first of that month, and
2. We or Our administrator has received the monthly premium payment.

### **WHEN ARE DEPENDENTS COVERED?**

Dependents are covered on the later of:

1. the date Dependent coverage is first included on an Employee's coverage; or
2. the date the person first qualifies as an Employee's Dependent.

#### **Newborn Infant Coverage**

A Dependent child born while this coverage is in force for an Employee is covered from the moment of birth for Covered Outpatient Prescription Drug Expenses. A notice of birth together with the additional premium must be submitted to Us. This must be done within 31 days after the date of birth in order to continue coverage beyond the 31-day period.

#### **Adopted Children Coverage**

A Dependent child placed with an Employee for adoption while this coverage is in force shall be covered from the first of the month coinciding with or next following the date of such placement. Such coverage will continue, unless the placement is disrupted prior to legal adoption and the child is removed from placement. A notice of placement for adoption together with the additional premium must be submitted to Us. This must be done within 31 days after the date of such placement in order to continue coverage beyond the 31-day period.

## **TERMINATION OF INSURANCE**

The Policyholder may terminate this group Policy on or after the first Anniversary Date by sending 30 days advance written notice to Us. The coverage will terminate on the later of:

1. the date requested by the Policyholder; or
2. the date the notice is received.

We may terminate this group Policy on any premium due date on or after the first Anniversary Date. We will give the Policyholder at least thirty (30) days advance written notice of such termination.

The coverage on an Employee [and Retiree] will end automatically on the earliest of the following dates:

1. The last day of the month in which the Employee [or Retiree] ceases to be eligible for coverage;
2. Subject to the Grace Period provision, the last day of the month for which the required premium has been paid;
3. The date the Employee [or Retiree] enters the armed forces of any country; or
4. The date the Policy is terminated or discontinued.

The coverage of any Dependent will end automatically on the earliest of the following dates:

1. The last day of the month in which the Dependent ceases to be an eligible Dependent;
2. Subject to the Grace Period provision, the last day of the month for which the required premium has been paid;
3. The date the Employee's [or Retiree's] coverage terminates;
4. The date the Dependent enters the armed forces of any country; or
5. The date the Policy is terminated or discontinued.

## GENERAL PROVISIONS

**CERTIFICATES:** Certificates will be provided for the Employer to distribute to each Employee [and Retiree]. The Certificates will describe the coverage provided, to whom benefits are paid; any limitations of the Policy; and all other essential provisions of the Policy that apply to Insured Persons. The Certificate is not a part of the Policy. Any conflict between the terms of the Certificate and the Policy will be decided in favor of the Policy. A copy of the Policy may be examined in the office of the Policyholder.

**CLERICAL ERROR:** Clerical errors or delays in keeping records for the Policy will not deny insurance that would otherwise have been granted, nor extend insurance that otherwise would have ceased. As soon as the error is found, a fair adjustment of premium and benefits will be made.

**CONFORMITY TO LAW:** Any provision of the Policy that, on the date of issue, is in conflict with the laws of the state in which it is issued is amended to conform with the minimum standards of the laws of that state as of the date of issue.

**ENTIRE CONTRACT:** The Policy, including any endorsements and riders, the Policyholder's application and the Employee's [and Retiree's] individual applications, if any, are the entire contract between the parties. All statements made by the Policyholder or an Employee [or Retiree] will, in the absence of fraud, be deemed representations and not warranties and no such statement shall be used in defense to a claim hereunder unless it is contained in a written instrument signed by the Policyholder or the Employee [or Retiree], a copy of which has been furnished to the Policyholder, the Employee [or Retiree], or the Employee's [or Retiree's] Beneficiary.

**AMENDMENT AND CHANGES:** No agent is authorized to alter or amend the Policy, or to waive any conditions or restrictions herein, or to extend the time for paying a premium. The Policy and the Certificate may be amended at any time by mutual agreement between the Policyholder and Us without the consent of the Employee [or Retiree], but without prejudice to any loss incurred prior to the Effective Date of the amendment. No person except Our Officer has authority on Our behalf to modify the Policy or to waive or lapse any of Our rights or requirements.

**INCONTESTABILITY:** After the Policy has been in force for two years, it can only be contested for non-payment of premiums. No statement made by an Insured Person can be used in a contest after his insurance has been in force for two years during his lifetime. No statement an Insured Person makes can be used in a contest unless it is in writing and signed by him.

**LEGAL ACTIONS:** No Insured Person can bring an action at law or in equity to recover on the Policy until more than 60 days after the date written proof of loss has been furnished according to the Policy. No such action will be brought after the applicable statute of limitations from the expiration of time within which such proof of loss is required by the Policy.

**MISSTATEMENT OF AGE:** If the age of an Insured Person has been misstated, We will make an equitable adjustment of premiums or benefits or both. We will change the benefit to the applicable amount available for the correct age. We will refund to the Insured any excess premium paid over the amount due for the correct benefit amount. We will request payment for any overdue premium for the correct benefit amount. If the misstatement is discovered after a benefit is due and payable, We will reduce or increase the benefit amount payable by the amount of excess or overdue premium due to the

## **GENERAL PROVISIONS (Continued)**

misstatement. If an Insured Person is not eligible for coverage because of age, We will refund all premiums paid on and after the date the Insured Person was no longer eligible.

**WORKER'S COMPENSATION:** The Policy is not a Worker's Compensation Policy. It does not satisfy any requirement for coverage by Worker's Compensation Insurance.

**MASCULINE GENDER:** Whenever the masculine gender is used in the Policy, it shall also refer to the feminine gender.

**INFORMATION REQUIRED FROM POLICYHOLDER:** The Policyholder must provide Us with the following on a regular basis:

- (1) information about Employees:
  - (a) who are eligible to become insured;
  - (b) who enroll for coverage and their initial amount of coverage;
  - (c) whose coverage ends;
- (2) any other information that may be required to manage a claim; and
- (3) any other information that may be reasonably required.

Policyholder records that have a bearing, in Our opinion, on this Policy shall be available for review by Us at any reasonable time as determined by Us.

**DUE DATE AND METHOD OF PAYMENT:** Premiums are payable on a monthly basis, unless We agree to some other mode of payment. If We agree to change the method of paying premiums, any pro rata adjusted premium required will be payable.

**PAYMENT OF PREMIUMS:** Premiums are payable at Our Office in New Orleans, LA, or to Our authorized administrator. The first premium for each Employee is due on his/her Effective Date. Each monthly payment will pay for the insurance then in force under the Policy for a period of one month.

**GRACE PERIOD:** The Policy has a 31 day Grace Period for the payment of each premium date after the first premium. During the Grace Period, the Policy will remain in force. If the Employer fails to pay the premium during the Grace Period, the Policy will automatically end at the end of the period for which the last premium payment has been paid. The Employer will be required to pay the premium during the Grace Period for the Policy and coverage of the Insured Persons under the Policy to continue in force.

## **GENERAL PROVISIONS (Continued)**

**CHANGE IN PREMIUM RATES:** Premium rates may be changed at any time if:

- (1) the Policy is amended to change the eligibility provisions and/or benefits; or
- (2) a subsidiary, division or affiliate is added to the Policy.

We may determine that a premium rate change is necessary for reasons other than in (1) or (2) above. However, such a rate change will not be made during the first [6-12] months beyond the Policy Effective Date [or occur more often than once in any [6] month period following the initial [6-12] month period].

We will provide written notification of any increases in premium rates to the Policyholder at least 30 days prior to the effective date of the increase unless the Policyholder and We both agree otherwise.

Premiums for insurance becoming effective will be charged:

- (1) from the premium due date if it is the same as the Employee's Effective Date; or
- (2) from the next premium due date after the Employee's Effective Date, if not the same.

The above manner of charging premiums will not extend insurance coverage beyond a date it would have otherwise terminated.

**CONFORMITY WITH STATE STATUTES:** Any provision of this Policy which, on its Effective Date, is in conflict with the statutes of the state in which the Policy was issued is hereby amended to conform to the minimum requirements of such statutes, unless otherwise forbidden by the laws of the state where the Employee lives.



PAN-AMERICAN LIFE INSURANCE COMPANY  
(A Stock Company) (also referred to as “the Company” “We” “Our” or “Us”)  
601 Poydras Street, New Orleans, LA 70130  
Toll Free: (877) 569-3075

**CERTIFICATE OF COVERAGE**  
under the  
Group Policy Held by the Policyholder

**POLICY NUMBER:** [OPD-1]  
**POLICYHOLDER:** [ABC EMPLOYER]  
**POLICY EFFECTIVE DATE:** [SEPTEMBER 1, 2008]  
**POLICY ANNIVERSARY DATE:** [Each SEPTEMBER 1st after 2008]  
**STATE OF ISSUE;** [XXXXX]  
**CERTIFICATEHOLDER EFFECTIVE DATE:** [NOVEMBER 1, 2008]  
**DEPENDENT EFFECTIVE DATE:** [JANUARY 1, 2009]

The Pan-American Life Insurance Company has issued a Group Policy covering certain Employees of the Employer. The benefits of the Group Policy are described in this booklet. Final interpretation is governed by the Policy. This Certificate replaces any and all Certificates previously issued for the Employees under the Policy. This Certificate describes the Group Policy in effect as of the Effective Date shown above. This booklet is the Employee's Certificate of Coverage only when the Employee is covered under the Policy.

Signed for Pan-American Life Insurance Company at New Orleans, Louisiana on the Policy’s Effective Date.

**READ THIS CERTIFICATE CAREFULLY**

**PAN-AMERICAN LIFE INSURANCE COMPANY**

President and Chief Executive Officer

**GROUP OUTPATIENT PRESCRIPTION DRUG COVERAGE  
NON-PARTICIPATING**

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]

**[SCHEDULE OF BENEFITS]**

<b>[[New Employee] Waiting Period]</b>			[0-90 days]
<b>[Open Enrollment Period]</b>			[November 1 – December 1]
<b>Benefit</b>			[[80%-100%] of Covered Charges, after Copayment [and] [or] [Deductible], subject to any Maximum Payable per Benefit Period]
<b>Benefit Period</b>			[January 1 – December 31]
<b>Maximum Payable Per Benefit Period</b> Per Insured Person			[\$200 - \$100,000]
<b>Deductible</b>			[0-\$1000] [Per Prescription] [0-\$1000] [Per Month] [Per Quarter] [Per Year]
<b>[Copayment</b>			
[Participating]	[Formulary]	[Generic]	[the greater of [\$0-\$100] and [0%-75%] [1-30 day supply [\$0-\$100]] [30-90 day supply [\$0-\$200]] [\$10.00 - \$30.00]
[Participating]	[Formulary]	[Brand] [Oral Contraceptives Only]	[the greater of [\$0-\$100] and [0%-75%] [1-30 day supply [\$0-\$100]] [30-90 day supply [\$0-\$200]] [\$20.00 - \$50.00]
[Participating]	[Formulary]	[Non Preferred Brand]	[the greater of [\$0-\$100] and [0%-75%] [1-30 day supply [\$0-\$100]] [30-90 day supply [\$0-\$200]] [\$22.00 - \$55.00, then [50%] of the remaining balance of the Covered Charge.]
[Participating]	[Non Formulary]	[Generic]	[the greater of [\$0-\$100] and [0%-75%] [1-30 day supply [\$0-\$100]] [30-90 day supply [\$0-\$200]]
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[Non Participating]	[Formulary]	[Brand] [Oral Contraceptives Only]	[the greater of [\$0-\$100] and [0%-75%] [1-30 day supply [\$0-\$100]] [30-90 day supply [\$0-\$200]] [\$20.00 - \$50.00]
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[Non Participating]	[Non Formulary]	[Brand] [Oral Contraceptives Only]	[the greater of [\$0-\$50] [\$0-\$100] and [0%-75%] [0%-75%] [1-30 day supply [\$0-\$100]] [30-90 day supply [\$0-\$200]]
[Non Participating]	[Non Formulary]	[Non Preferred Brand]	[the greater of [\$0-\$50] [\$0-\$100] and [0%-75%] [0%-75%] [1-30 day supply [\$0-\$100]] [30-90 day supply [\$0-\$200]]
[Our Approved Mail Service Participating Pharmacy]	[Formulary]	[Generic]	[the greater of [\$0-\$100] and [0%-75%] [1-30 day supply [\$0-\$100]] [30-90 day supply [\$0-\$200]] [\$20.00 - \$60.00 each 90-day Prescription] [Only available to Employees of Employers who pay premium quarterly.]
[Our Approved Mail Service Participating Pharmacy]	[Formulary]	[Brand] [Oral Contraceptives Only]	[the greater of [\$0-\$100] and [0%-75%] [1-30 day supply [\$0-\$100]] [30-90 day supply [\$0-\$200]] [\$50.00 - \$100.00] [each 90-day Prescription.] [Only available to Employees of Employers who pay premium quarterly.]
[Our Approved Mail Service Participating Pharmacy]	[Formulary]	[Non Preferred Brand]	[the greater of [\$0-\$100] and [0%-75%] [1-30 day supply [\$0-\$100]] [30-90 day supply [\$0-\$200]] [\$60.00 - \$110.00], then [50%] of the remaining balance of the Covered Charge for each 90-day Prescription] [Only available to Employees of Employers who pay premium quarterly.]
[Our Approved]	[Non Formulary]	[Generic]	[the greater of [\$0-\$100] and [0%-75%] [1-30 day supply [\$0-\$100]]

Mail Service  
Participating  
Pharmacy]

[30-90 day supply [\$0-\$200]]

[Our  
Approved  
Mail Service  
Participating  
Pharmacy]

[Non  
Formulary]

[Brand] [Oral  
Contraceptives  
Only]

[the greater of [\$0-\$100] and [0%-75%]  
[1-30 day supply [\$0-\$100]]  
[30-90 day supply [\$0-\$200]]

[Our  
Approved  
Mail Service  
Participating  
Pharmacy]

[Non  
Formulary]

[Non Preferred  
Brand]

[the greater of [\$0-\$100] and [0%-75%]  
[1-30 day supply [\$0-\$100]]  
[30-90 day supply [\$0-\$200]]

## SECTION 1 - DEFINITIONS

**[Benefit Period]** means the period of time when benefits are payable. Unless stated otherwise [on the [Schedule] [or] [Employee's Application], a Benefit Period is a Calendar Year.]

**Brand Name** means a drug: 1) approved by the Food and Drug Administration; and 2) protected by the trademark registration of the pharmaceutical company which produces such drug.

**[Calendar Year]** means a one year period that begins on January 1st at 12:01 a.m. Standard Time and ends on January 1st at 12:01 a.m. Standard Time of the following year at the Policyholder's address.]

**Covered Charges** means the Negotiated Rate or the Usual, Customary or Reasonable Charge for expenses incurred by an Insured Person on the date of the Pharmacy Services for a Formulary or [Non-formulary] Medically Necessary Outpatient Prescription Drug.

**[Copayment]** means the dollar amount and/or percentage of each Prescription Drug charge the Insured Person must pay.]

**[Deductible]** means the amount of Covered Charges that must be satisfied by an Insured Person each Benefit Period prior to benefits being paid by Us.]

**Dependent** means any of the following persons:

1. The Employee's spouse;
2. Each unmarried child of the Employee from birth to age 21;
3. Each unmarried child of the Employee who is a full-time student may be covered until age [24-26] provided such child is attending an accredited college, vocational or high school and enrolled in sufficient courses to maintain full-time status and is dependent on the Employee for their support. We may require proof of full-time status.
4. Each unmarried child of the Employee at least 21 years of age:
  - a) who is incapable of self-sustaining employment by reason of mental or physical handicap;
  - b) who was so incapacitated and is an Insured Dependent under the Policy on his or her 21st birthday; and
  - c) who has been continuously so incapacitated since his or her 21st birthday.

A Dependent may not be an Employee of the Policyholder. No person can be an eligible Dependent for more than one employee.

**Effective Date** means the effective date of Your or Your Dependent's coverage listed on the face page of this Certificate.

**Employee** means a person who is employed by the Policyholder and meeting the minimum hourly requirements shown in the Policyholder's application. If the Employer is a proprietorship or partnership, the individual proprietor or each of the partners is an Employee only if engaged in the regular business of the Employer for the minimum hourly requirement shown in the Policyholder's application. No director of a corporate Employer is an Employee solely because of such directorship. [Employee includes a Retiree, but only if a Retiree class is requested on the Policyholder's application.]

**Employer** means the Policyholder and includes any division, subsidiary or affiliated company wholly owned by the Policyholder and named in the Policyholder's application. The Employer is deemed the Plan Administrator for the purpose of compliance with and duties arising under ERISA and COBRA.

**[Formulary** means a list, provided by Us, of prescription medications that are [preferred for use] [covered under the Policy]. [The Formulary categorizes prescription medications into categories of: preferred Brand, non-preferred Brand and preferred Generic].

**Generic** means therapeutically equivalent drugs as determined by the Food and Drug Administration which are identical to the Brand Name drugs in strength or concentration, dosage form and route of administration.

**Geographic Area** means the three digit zip code in which the Prescription Drugs are dispensed; or a greater area if necessary to obtain a representative cross-section of charge for a like Prescription Drug.

**Immediate Family** means any person related by blood or marriage to an Insured Person.

**Insured Person** means either an Employee [, Retiree] or Dependent.

**Legend Drug** means any medical substance whose label is required to bear the legend "Caution: Federal Law Prohibits Dispensing Without A Prescription"; or a state restricted drug that may not require a prescription under Federal Law, but does require one under state law.

**Medically Necessary** means that the Prescription Drug is necessary and appropriate for the diagnosis or treatment of a condition based on generally accepted current medical practice. A Prescription Drug will not be considered Medically Necessary if: (1) it is not appropriate treatment for the Insured Person's diagnosis or symptoms; or (2) it is part of a plan of treatment that is experimental, unproven or related to a research protocol. Because any particular Physician may prescribe, order, recommend, or approve a Prescription Drug does not, of itself, make the service or supply Medically Necessary.

**Negotiated Rate** means the rate mutually agreed upon between Us and a Participating Pharmacy in a specific instance.

**Non-Participating Pharmacy** means a pharmacy that has not contracted with Us in a program used by Us to provide services at a Negotiated Rate.

**[Open Enrollment** means Employees [,Retirees] [and their Dependents] may enroll under the Policy during a specified period of time agreed on by Us and the Policyholder, if requested on the Policyholder's application.]

**Our Approved Mail Service Participating Pharmacy** means a pharmacy that has contracted with Us to provide mail order services at a Negotiated Rate.

**Outpatient** means a Prescription Drug is not taken in or administered by a hospital or any other health care facility or office.

**Participating Retail Pharmacy** means a pharmacy that has contracted with Us to provide services at a Negotiated Rate.

**Physician** means a qualified licensed medical practitioner other than an Insured Person or a member of an Insured Person's Immediate Family. Physician includes all providers of medical care and treatment to the extent that they are licensed to write a prescription for a Legend Drug.

**Plan Administrator** means Your Employer.

**Prescription Drug** means all Outpatient Medically Necessary Legend non-injectable medications shown on the Formulary, unless otherwise specifically excluded.

**Policy** means the Policy issued to the Policyholder. The Policy number is shown on the face page of this Certificate.

**Policyholder** means Your Employer listed on the face page of this Certificate.

**Regular and Customary Activities** means a person can carry on a substantial part of the standard and commonly practiced activities of a person in good health of the same age and sex. Activities performed while confined in a hospital or other medical institution may not be used to meet this requirement.

[**Retiree** means any former Employee who is covered under a non-discriminatory, written retirement plan that provides for benefits on the same terms and conditions as an Employee.]

**Usual, Customary, and Reasonable** means a charge that does not exceed the general level of charges being made by other providers of Outpatient Prescription Drug services for Prescription Drugs in the Geographic Area where the charge is incurred.

**Waiting Period** means a period of time that must pass with respect to an Employee before the Employee is eligible to be covered for benefits under the terms of the Policy. The Waiting Period is determined by the Employer on the application for the Policy.

**You, Your, Certificateholder** means the person named on this Certificate of Insurance as the Employee.

**We, Our, Us, Company** means Pan-American Life Insurance Company.

## SECTION 2 - ELIGIBILITY AND EFFECTIVE DATE

### ELIGIBILITY - EMPLOYEE

All Employees as shown on the Policyholder's application are eligible for coverage [subject to the Waiting Period] [and Retirees]. [Evidence of Insurability is required as described on the Policyholder's application.]

### ELIGIBILITY - DEPENDENT

A Dependent is eligible for coverage on the later of the date the Employee [and Retiree] becomes eligible for coverage or the date the Employee [and Retiree] first acquires the Dependent after his Effective Date of coverage. [Evidence of Insurability is required as described on the Policyholder's application.]

### EFFECTIVE DATE

#### [Employees]

An [Employee's] [or Retiree's] coverage will be effective on [the first [or the 15<sup>th</sup>] of the month following] the date the [Employee] [or Retiree] becomes eligible, subject to Our receipt of the first premium [provided he is[: a)] not confined at home or in a hospital or medical institution[:; and b)

engaging in his Regular and Customary Activities.]] In no event will coverage become effective before the Effective Date of the Policy.

### **Dependents**

Dependent coverage may only be added and be effective at the times described below. In no event will coverage become effective before the Effective date of the Policy or [Employee's] [or Retiree's] coverage.

#### **[Employer Paid Dependent Coverage]**

[If the Employee [or Retiree] is not required to pay any of the Dependent premium, eligible Dependents' coverage will be effective on [the first [or the 15th] of the month following] the date the Dependent becomes eligible, subject to Our receipt of the first premium provided he is[: a)] not confined at home or in a hospital or medical institution[; and b) engaging in his Regular and Customary Activities]].]

#### **[Employee Paid Dependent Coverage]**

##### **[Timely Enrollees**

If [the Employee [or Retiree] is required to pay part or all of the Dependent premium and] an eligible Employee [or Retiree] elects Dependent coverage in writing within [31-60] days after becoming eligible, the eligible Dependent's coverage will become effective as of the date the Employee's [or Retiree's] coverage is effective, subject to Our receipt of the first premium [provided he is[: a)] not confined at home or in a hospital or medical institution[; and b) engaging in his Regular and Customary Activities]]. In no event will coverage become effective before the Effective Date of the Policy or Employee's [or Retiree's] coverage.

##### **Qualified Late Enrollees**

If [the Employee [or Retiree] is required to pay part or all of the Dependent premium and] an eligible Employee elects Dependent coverage during an Open Enrollment period established by the Policyholder or within [31-60] days of a Family Status Change, eligible Dependents' coverage will become effective on [the first of the month following] [the 15th of the month following] [the date] such coverage is elected in writing, subject to Our receipt of the first premium [provided he is[: a)] not confined at home or in a hospital or medical institution[; and b) engaging in his Regular and Customary Activities]].]

**Family Status Change** means the addition of a Dependent to an Employee's [or Retiree's] family due to marriage, birth or adoption. A Family Status Change will also be deemed to have occurred on the date the Employee's Dependent becomes eligible due to:

1. loss of coverage under a public or private health insurance plan due to termination of employment or eligibility, termination of the plan, death of a spouse, divorce; or
2. the Employee being required by court order to provide coverage for a spouse or minor child.

##### **Newborn Child and Adopted Child**

Benefits are payable for a newborn child from the moment of birth. Benefits are payable for a child placed in the home for adoption from the date of placement as certified by the public or private agency making the placement of such child pursuant to an adoption proceeding. Benefits for such placed child will terminate upon termination of the adoption proceedings as certified by the public or private agency. Benefits are payable for an adopted child, a foster child and/or a child in custodial care, if not placed in the home before adoption, from the moment of birth or placement. Coverage for such child will consist of benefits for Outpatient Prescription Drugs due to injury and sickness including the necessary care and treatment of medically diagnosed congenital defects, birth abnormalities, and pre-maturity.

If additional premium is required, the Employee [or Retiree] must enroll the newborn child, the child placed for adoption, or the adopted child and furnish required premium within [31] days after birth, placement, or adoption. If premium is not furnished within that period, coverage as to such child will terminate at the end of this 31 day period.

**[Delayed Effective Date**

If an eligible Employee or Dependent is[: (a)] confined at home or in a hospital or medical institution[; or (b) not engaged in his Regular and Customary Activities on the day coverage would otherwise begin,] then coverage will begin [the first [or 15th] of the month following] the day he is: (a) no longer confined at home or in a hospital or medical institution[; and (b) engages in his Regular and Customary Activities]].]

**[REPLACEMENT OF PRIOR POLICY**

This provision applies when the Policy immediately replaces a prior policy with similar benefits.

Each person who is eligible for coverage according to the prior carrier policy (in respect of being in an eligible class and non-confinement rules) will be covered by the Policy.

Each person not eligible for coverage under the Policy will be covered by the Policy according to the following rules, if the person was validly covered (including benefit extension) under the prior policy on its termination date and if such person is a member of an eligible class under the Policy. Any reference in the following rules to a person who was or was not performing his or her Regular and Customary Activities is a reference to that person's status immediately before the effective date of the Policy:

1. the minimum level of benefits under the Policy will be the applicable level of benefits of the prior policy reduced by any benefits payable by the prior policy;
2. coverage provided by the Policy under (1) will continue until the earliest of these dates:
  - a. the date the person becomes eligible under the Policy;
  - b. the date the person's coverage would terminate according to the Policy's Termination of Insurance provisions; or
  - c. in the case of a person who was not performing his or her Regular and Customary Activities, and if the prior policy is required to extend benefits for its accrued liability, the end of any period of extension or accrued liability of the prior policy.]

**SECTION 3 - BENEFITS**

Benefits are payable as shown on the Schedule for Covered Charges incurred by an Insured Person for the purchase of Outpatient Prescription Drugs from a Participating Retail Pharmacy, Our Approved Mail Service Participating Pharmacy or a Non-Participating Pharmacy. Any [Copayment] [and] [or] [Deductible] must be satisfied before benefits will be paid. All benefit amounts are subject to the maximums listed on the Schedule.

**Prescription Drugs Purchased With Drug Card**

The Employee will be given a Prescription Drug card. An Insured Person is required to present the Prescription Drug card to the Participating Retail Pharmacy and must pay any appropriate [Copayment] [and] [or] [Deductible] amount shown in the Schedule, at the time each Prescription Drug is filled or refilled. When a Prescription Drug card is used at a Participating Retail Pharmacy, benefits are assigned to the Participating Retail Pharmacy.

**[Prescription Drugs Purchased Without Drug Card**

If an Insured Person purchases a Prescription Drug at a Non-Participating Pharmacy or purchases a Prescription Drug at a Participating Retail Pharmacy without the Prescription Drug card, the Insured Person must pay the full cost for the Prescription Drug at the time of purchase and complete a claim form. Reimbursement is subject to the [Copayment] [and] [or] [Deductible] shown on the Schedule and the Usual, Reasonable and Customary Amount. Payment will be made directly to the Employee [or Retiree] when a Non-Participating Pharmacy is used or where purchase is made without the Prescription Drug card at a Participating Retail Pharmacy.]

**[Prescription Drugs Purchased By Mail Order [(If Elected by Your Employer)]**

An Insured Person may choose to purchase Prescription Drugs by mailing Our approved reimbursement form to Our Approved Mail Service Participating Pharmacy. The Insured Person will be required to pay any Mail Service [Copayment] [and] [or] [Deductible] shown in the Schedule. All benefit amounts are subject to the maximums listed in the Schedule. Mail Order Benefits area available only if elected on the Policyholder’s application and only if Our Approved Mail Service Participating Pharmacy is used.]

**[Optional Covered Benefits:**

[Covered Charges include the following:]

[*Diabetic Products* – Over-the-counter [Diabetic supplies – alcohol swabs, lancets, lancet devices, test strips and tablets (urine, blood glucose, ketone)], [Insulin and insulin syringes].]

[*Family Planning Products* [Diaphragms (one per Insured Person per Benefit Period).] [Oral contraceptives.] [[Erectile dysfunction Legend drugs] [Viagra, limited to four (4) tablets per Insured Person, per month.)] [Infertility Legend Drugs.]]

[[*Self-administered*] *Injectables* [Epi-Pen, Epi-Pen Jr., Ana-Kit, Ana Guard.] [Glucagon-auto injection.] [Imitrex-auto injection (18-25 mg., 9-50 mg., 2 kit/mo.)]]

[*Smoking Deterrents* [Legend smoking deterrents.]]

[*Nutritional Products* [Pediatric Legend Vitamins.] [Prenatal Legend Vitamins.] [Prescription versions of Vitamins A, D, K, B12, Folic Acid and Niacin – used in treatment versus as a dietary supplement.] [All other Legend Vitamins and Nutritional supplements.]]

[*Other Legend Drugs* [Acne products (Retin-A only up to 24<sup>th</sup> birthday.) [Compounds, one ingredient must be Legend.] [Cough and Cold.] [Immunosuppressants.] [DESI Class 5 or 6.]]

[Vacation and replacement of lost, stolen, spilled, broken or dropped Prescription Drugs are covered.]

**SECTION 4 - EXCLUSIONS AND LIMITATIONS**

Benefits are not payable for the following items:

- [1. Prescription Drugs or medications prescribed prior to the Effective Date or after coverage termination date.]
- [2. All over-the-counter products and medications [unless specified in Section 3 – Benefits].]

- [3. *[Diabetic Products - Over-the-counter [Diabetic supplies – alcohol swabs, lancets, lancets devices, test strips and tablets (urine, blood glucose, ketone)], [Insulin and insulin syringes].]* [unless specified in Section 3 - Benefits]]
- [4. *[Family Planning [Diaphragms (one per Insured Person per Benefit Period).] [Oral contraceptives.] [[Erectile dysfunction Legend drugs] [Viagra, limited to four (4) tablets per Insured Person, per month.)] [Infertility Legend Drugs.]]* [unless specified in Section 3 - Benefits]]
- [5. *[[Self-administered] Injectables [Epi-Pen, Epi-Pen Jr., Ana-Kit, Ana Guard.] [Glucagon-auto injection.] [Imitrex-auto injection (18-25 mg., 9-50 mg., 2 kit/mo.)]]* [unless specified in Section 3 - Benefits]]
- [6. *[Smoking Deterrents [Legend smoking deterrents.]]* [unless specified in Section 3 - Benefits]]
- [7. *[Nutritional Products [Pediatric Legend Vitamins.] [Prenatal Legend Vitamins.] [Prescription versions of Vitamins A, D, K, B12, Folic Acid and Niacin – used in treatment versus as a dietary supplement.] [All other Legend Vitamins and Nutritional supplements.]]* [unless specified in Section 3 - Benefits]]
- [8. *[Other Legend Drugs [Acne products (Retin-A only up to 24<sup>th</sup> birthday.) [Compounds, one ingredient must be Legend.] [Cough and Cold.] [Immunosuppressants.] [DESI Class 5 or 6.]]* [unless specified in Section 3 - Benefits]]
- [9. [Vacation and replacement of lost, stolen, spilled, broken or dropped Prescription Drugs] [unless specified in Section 3 - Benefits]]
- [10. Depo-Provera; levonorgestral; condoms, contraceptive sponges, and spermicides; sexual dysfunction drugs.]
- [11. Biologicals (including allergy tests); blood products; growth hormones; hemophiliac factors; MS injectables; immunizations; all other injectables unless specified in Section 3 - Benefits.]
- [12. Aerochamber, Aerochamber with Mask; Peak Flow Meter; all other medical supplies and durable medical equipment unless shown under the definition of Prescription Drug.]
- [13. Liquid nutritional supplements; (pediatric Legend Drug vitamins; prenatal Legend Drug vitamins; prescribed versions of Vitamins A, D, K, B12, Folic Acid and Niacin - used in treatment versus as a dietary supplement; all other Legend Drug vitamins and nutritional supplements.)]
- [14. Anorexiant; Any cosmetic drugs including, but not limited to, Renova, skin pigmentation preps; Any drugs or products used for the treatment of baldness or weight control; Topical dental fluorides.]
- [15. Refills in excess of that specified by the prescribing Physician; or refills dispensed after one year from the original date of the prescription.]
- [16. All newly marketed pharmaceuticals or currently marketed pharmaceuticals with a new FDA approved indication for a period of one year from such FDA approval for its intended indication.]

- [17.Any drug labeled “Caution - limited by Federal Law for Investigational Use” or experimental drugs.]
- [18.Any drug which the Food and Drug Administration has determined to be contraindicated for the specific treatment.]
- [19.Drugs needed due to conditions caused, directly or indirectly, by an Insured Person taking part in a riot or other civil disorder; or the Insured Person taking part in the commission of a felony.]
- [20.Drugs needed due to conditions caused, directly or indirectly, by declared or undeclared war or an act of war; or drugs dispensed to an Insured Person while on active duty in any armed force.]
- [21.Any expenses related to the administration of any drug.]
- [22.Needles or syringes [unless specified in Section 3 – Benefits].]
- [23.Drugs or medicines taken while in or administered by a hospital or any other health care facility or office.]
- [24.Drugs covered under Worker’s Compensation, Medicare, Medicaid or other Governmental program.]
- [25.Drugs, medicines or products which are not Medically Necessary.]
- [26. Charges over a Usual, Customary or Reasonable amount for Prescription Drugs obtained at a Non-Participating Pharmacy or at a Participating Retail Pharmacy when a Prescription Drug card is not used.]
- [27.Anabolic steroids used for the purpose of body building.]
- [28.Drugs for the treatment of Attention Deficit Hyperactivity Disorder(s) (ADHD) except methylphenidate (Ritalin) and those drugs approved by the United State Food and Drug Administration specifically for the treatment of ADHD.]
- [29.Drugs used to treat alcohol abuse.]
- [30.Growth hormones.]
- [31.Refills in excess of the number specified.]
- [32.Allergens.]
- [33.Prescription drugs provided as Maintenance Prescription Drugs[, after the 2nd refill], when dispensed at a retail pharmacy.]
- [34.Prescription drugs obtained from a mail service or internet pharmacy other than Our Approved Mail Service Participating Pharmacy.]
- [35.Medications prescribed for greater than a [30-44] day supply or a 90 day supply, if Maintenance Drugs, by Mail Order.]

[36.Injectibles administered by someone other than the Insured Person for whom the claim is made.]

**Limitations**

[If a Brand Name Prescription Drug is dispensed solely upon the Insured Person’s request in lieu of an available Generic Prescription Drug, then, in addition to any [Copayment] [and] [or] [Deductible] amount, the Insured Person will be responsible for the cost of such Prescription Drug which exceeds the cost of its Generic alternative.]

**[Dispensing Limits and Authorized Refills**

Limits -Retail: [30-44] day supply.

Mail: 90 day supply of a maintenance drug or a 30 day supply of any other Prescription Drug.]

**SECTION 5 - PREMIUMS**

All premiums are payable on or before the date they are due. The first premium is due on Your Effective Date. Each premium thereafter is due on the first day following the period for which the preceding premium was paid. The initial premium rates will remain in effect for the first [6-12] months after the Policy Effective Date.

**Premium Changes** After the initial period following the Policy Effective Date,, the premium rates may be changed by Us. If the rates are changed, We will give at least [30-60] days advance written notice to the Policyholder.

If a change in benefits elected by the Policyholder increases Our liability, premium rates may be changed on the date the liability is increased.

**Grace Period** The Policy has a 31 day Grace Period for the payment of each premium date after the first premium. During the Grace Period, the Policy will remain in force. If the Employer fails to pay the premium during the Grace Period, the Policy will automatically end at the end of the period for which the last premium payment has been paid. The Employer will be required to pay the premium during the Grace Period for the Policy and coverage of the Insured Persons under the Policy to continue in force.

**SECTION 6 – TERMINATION OF INSURANCE**

The coverage on an Employee [and Retiree] will end automatically on the earliest of the following dates:

1. The last day of the month in which the Employee [or Retiree] ceases to be eligible for coverage;
2. Subject to the Grace Period provision, the last day of the month for which the required premium has been paid;
3. The date the Employee [or Retiree] enters the armed forces of any country; or
4. The date the Policy is terminated or discontinued.

The coverage of any Dependent will end automatically on the earliest of the following dates:

1. The last day of the month in which the Dependent ceases to be an eligible Dependent;
2. Subject to the Grace Period provision, the last day of the month for which the required premium has been paid;
3. The date the Employee’s [or Retiree’s] coverage terminates;
4. The date the Dependent enters the armed forces of any country; or

5. The date the Policy is terminated or discontinued.

### **[EXTENSION OF BENEFITS]**

If the Policy terminates and an Insured Person is Totally Disabled, the Insured Person's coverage will continue for a period of 90 days.

This extension will end when the first of these events takes place:

1. the Insured Person is no longer Totally Disabled due to the same injury or sickness; or
2. the applicable period stated above expired.

For purposes of this provision, "Totally Disabled" means:

1. for an Employee – an injury or sickness which prevents him from performing all the main duties of his normal occupation for wage or profit; or
2. for a Dependent – an injury or sickness which prevents the performance of all normal activities of a person of the same age and sex.]

### **SECTION 7 - [COORDINATION OF BENEFITS]**

If any individual covered under the Policy (referred to as "this Plan") is also covered under one or more other Plans, the benefits payable under this Plan will be coordinated with the benefits payable under all other Plans.

This coordination will apply in determining the benefits payable for any Claim Period if the sum of:

1. the benefits that would be payable under this Plan in the absence of coordination; and
2. the benefits that would be payable under all other Plans in the absence of provisions for coordination in those Plans would exceed those Covered Expenses.

Except as provided in the following paragraph, when Coordination of Benefits applies to the benefits payable to an individual for any Claim Period, the benefits that would be payable for Covered Expenses under this Plan in the absence of Coordination of Benefits will be reduced to the extent necessary so that the sum of those reduced benefits and all the benefits payable for those Covered Expenses under all other Plans will not exceed the total of those Covered Expenses. Benefits payable under all other Plans include the benefits that would have been payable had claim been properly made for them.

The rules establishing the order of benefit determination are:

1. the benefits of a Plan which covers the individual for whom claim is made other than as a Dependent will be determined before the benefits of a Plan which covers that individual as a Dependent.
2. Except as stated in paragraph 3 below, when this Plan and another Plan cover the same child as a Dependent of different persons, called "parents":
  - a) the benefits of the Plan of the parent whose birthday falls earlier in a year are determined before those of the Plan of the parent whose birthday falls later that year; but

- b) if both parents have the same birthday, the benefits of the Plan which covered the parent longer are determined before those of the Plan which covered the other parent for a shorter period of time. However, if the other Plan does not have the rule described in (a) immediately above, but instead uses a different method, and if, as a result, the Plans do not agree on the order of benefits, the rule in the other Plan will determine the order of benefits.
3. If two or more Plans cover a person as a Dependent child of divorced or separated parents, benefits for the child are determined in this order:
  - a) First, the Plan of the parent with custody of the child;
  - b) Then, the Plan of the spouse of the parent with custody of the child; and
  - c) Finally, the Plan of the parent not having custody of the child. However, if the specific terms of a court decree state that one of the parents is responsible for the health care expenses of the child, and the entity obligated to pay or provide the benefits of that Plan of that parent has actual knowledge of those terms, the benefits of that Plan are determined first. This paragraph does not apply with respect to any Claim Period or Plan year during which any benefits are actually paid or provided before the entity has that actual knowledge.
4. The benefits of a Plan which covers a person as an employee who is neither laid-off nor retired (or as that employee's Dependent) are determined before those of a Plan which covers that person as a laid-off or retired employee (or as that employee's Dependent). If the other Plan does not have this rule, and if, as a result, the Plans do not agree on the order of benefits, this rule (4) is ignored.
5. If none of the above rules determines the order of benefits, the benefits of a Plan which has covered the individual for whom claim is made for the longer period of time will be determined before the benefits of a Plan which has covered the individual the shorter period of time.

If We are responsible for secondary coverage for Covered Expenses, We will not deny coverage or payment of the amount We owe as secondary payor solely on the basis of the failure of another group contract, which is responsible for primary coverage, to pay for those Covered Expenses. This will not require Us to pay the obligations of the primary payor.

For the purpose of administering the above provisions of this Plan or any similar provision of other Plans, We may, without consent or notice to any individual, release to or obtain from any other insurance company, organization or individual any information concerning any individual which We consider necessary. Any individual claiming benefits under this Plan will furnish Us with any information necessary.

Whenever payment which should have been made under this Plan in accordance with the above provisions have been made under any other Plans, We will have the right, at Our sole discretion, to pay any organizations making these payments any amount We determine to be due. Amount paid in this matter will be considered to be benefits paid under this Plan and, to the extent of these payments, We will be fully discharged from liability under this Plan.

Whenever payments have been made by Us, for Covered Expenses in a total amount in excess of the maximum amount of payment necessary to satisfy the intent of the above provisions, We will have the right to recover the excess from one or more of the following: (1) other insurance companies; (2) other organizations; (3) individuals to or from whom payments were made.

**BENEFITS SUBJECT TO COORDINATION.** All benefits provided under the Policy are subject to coordination.

**DEFINITIONS.** The following definitions apply only to this Coordination of Benefits section:

1. The term "Plan" means coverage providing hospital, medical or outpatient prescription drug benefits or services by:
  - a) group or blanket insurance coverage, except school accident coverage;
  - b) group practice or other prepayment coverage on a group basis; or
  - c) any coverage under labor-management trustees Plan, union welfare Plan, employer organization, or employee benefit Plans.

The term "Plan" will be construed separately for a policy, contract or other arrangement for benefits or services that reserves the right to take the benefits or services of other Plans into consideration in determining its benefits, or separately for that portion which does not reserve the right.

2. The term "Covered Expense" means any usual, reasonable and customary item of expense all or part of which is covered under one of the Plans.

When a Plan provides benefits in the forms of services rather than cash payments, the reasonable cash value of each service rendered will be considered to be both a Covered Expense and a benefit paid.

3. The term "Claim Period" means a calendar year or a portion of a calendar year for a claim on an individual covered under this Plan.]

## **SECTION 8 – CLAIM PROVISIONS**

**NOTICE OF CLAIM:** Written notice of claim must be given to Us within 30 days after the occurrence or commencement of any loss covered by the Policy, or as soon after that as is reasonably possible. Notice given by or for the Insured Person to Us at Our Home Office or to any of Our authorized agents with sufficient information to identify the Insured Person, will be deemed as notice to Us.

**CLAIM FORMS:** We will furnish claim forms to the Insured Person within 15 days after notice of claim is received. If We do not send the forms within that time, the Insured Person can send written proof of the occurrence, character, and extent of loss for which the claim is made, within the time stated in the Proof of Loss provision.

**PROOF OF LOSS:** Written proof of loss must be furnished to Us at Our Home Office within 90 days after the date of the loss. Failure to furnish proof within the time required will not invalidate or reduce any claim if it was not reasonably possible to give proof within that time, if the proof is furnished as soon as reasonably possible. In no event, except in the absence of legal capacity, will proof of loss be accepted later than one year from the time proof is required.

**TIME OF PAYMENT OF CLAIMS:** Any benefit payable under the Policy will be paid immediately, but not more than 30 days after receipt of due written proof of loss.

**PAYMENT OF CLAIMS:** All benefits will be payable either to the Participating Retail Pharmacy, or Our Approved Mail Service Participating Pharmacy or if a Non-Participating Pharmacy is used, benefits will be paid to the Employee [or Retiree] unless We receive an assignment of benefits to the Non-

Network Pharmacy prior to payment. Any benefits payable on or after the Employee's [or Retiree's] death will be paid to the estate, unless previously assigned.

If any benefit is payable to an estate or to a minor or person not otherwise competent to give a valid release, We may pay such benefit, up to an amount not exceeding \$500, to any relative by blood or marriage, who is deemed by Us to be entitled to the benefit. Any payment made by Us in good faith under this provision will fully discharge Us to the extent of payment.

## SECTION 9 – GENERAL PROVISIONS

**CERTIFICATES:** Certificates will be provided to each Employee [and Retiree]. They will describe the coverage provided, to whom benefits are paid; any limitations of the Policy; and all other essential provisions of the Policy that apply to Insured Persons. The Certificate is not a part of the Policy. Any conflict between the terms of the Certificate and the Policy will be decided in favor of the Policy. A copy of the Policy may be examined in the office of the Policyholder.

**CLERICAL ERROR:** Clerical errors or delays in keeping records for the Policy will not deny insurance that would otherwise have been granted, nor extend insurance that otherwise would have ceased. As soon as the error is found, a fair adjustment of premium and benefits will be made.

**CONFORMITY TO LAW:** Any provision of the Policy that, on the date of issue, is in conflict with the laws of the state in which it is issued is amended to conform with the minimum standards of the laws of that state as of the date of issue.

**ENTIRE CONTRACT:** The Policy, including any endorsements and riders, the Policyholder's application and the Employee's [and Retiree's] individual applications, if any, are the entire contract between the parties. All statements made by the Policyholder or an Employee [or Retiree] Insured will, in the absence of fraud, be deemed representations and not warranties and no such statement shall be used in defense to a claim hereunder unless it is contained in a written instrument signed by the Policyholder or the Employee [or Retiree], a copy of which has been furnished to the Policyholder, the Employee [or Retiree], or the Employee's [or Retiree's] Beneficiary.

**AMENDMENT AND CHANGES:** No agent is authorized to alter or amend the Policy, or to waive any conditions or restrictions herein, or to extend the time for paying a premium. The Policy and the Certificate may be amended at any time by mutual agreement between the Policyholder and Us without the consent of the Employee [or Retiree], but without prejudice to any loss incurred prior to the Effective Date of the amendment. No person except Our Officer has authority on Our behalf to modify the Policy or to waive or lapse any of Our rights or requirements.

**INCONTESTABILITY:** After the Policy has been in force for two years, it can only be contested for non-payment of premiums. No statement made by an Insured Person can be used in a contest after his insurance has been in force for two years during his lifetime. No statement an Insured Person makes can be used in a contest unless it is in writing and signed by him.

**LEGAL ACTIONS:** No Insured Person can bring an action at law or in equity to recover on the Policy until more than 60 days after the date written proof of loss has been furnished according to the Policy. No such action will be brought after the applicable statute of limitations from the expiration of time within which such proof of loss is required by the Policy.

**MISSTATEMENT OF AGE:** If the age of an Insured Person has been misstated, We will make an equitable adjustment of premiums or benefits or both. We will change the benefit to the applicable amount available for the correct age. We will refund to the Insured any excess premium paid over the amount due for the correct benefit amount. We will request payment for any overdue premium for the correct benefit amount. If the misstatement is discovered after a benefit is due and payable, We will reduce or increase the benefit amount payable by the amount of excess or overdue premium due to the misstatement. If an Insured Person is not eligible for coverage because of age, We will refund all premiums paid on and after the date the Insured Person was no longer eligible.

**WORKER'S COMPENSATION:** The Policy is not a Worker's Compensation Policy. It does not satisfy any requirement for coverage by Worker's Compensation Insurance.

**MASCULINE GENDER:** Whenever the masculine gender is used in the Policy, it shall also refer to the feminine gender.

### [CONTINUATION OF COVERAGE]

If coverage under the Policy ends, an Insured Person may be eligible for continuation of coverage under federal law. Continuation of coverage in any event shall be subject to payment of the required premium.

#### **Family and Medical Leave Act of 1993 (FMLA) – Continuation of Benefits** (Applies to Employers with 50 or more Employees)

Employees who have been employed by the Policyholder for at least 12 months and who have performed at least 1,250 hours of work during that period are entitled to 12 work weeks of leave during any 12 month period for one or more of the following reasons:

1. the birth of a child to the Employee;
2. the placement of a child with the Employee for adoption or foster care;
3. to care for the spouse, child or parent of the Employee if such person has a serious health condition; or
4. a serious health condition makes the Employee unable to perform the main functions of his or her employment.

An Employee on FMLA leave may continue benefits for the duration of that leave under the same conditions as applied prior to the leave. The terms of the FMLA supersede state family medical leave laws for employers of 50 or more employees insofar as the FMLA provides greater family or medical leave rights than those established by the state law.

#### **Uniformed Services Employment and Reemployment Rights Act of 1993 (USERRA)**

An Employee who is absent from work due to a period of duty in the uniformed services may have the right to continue benefits for himself and his Dependents in accordance with USERRA provisions. The Employee must pay the required monthly premium for the continued coverage to the Employer.

#### **COBRA**

**Continuation of Benefits in Accordance with the Consolidated Omnibus Budget Reconciliation Act of 1985**  
(Applies to Employers with 20 or more Employers)

### **Applicability**

Federal law requires that Employers of 20 or more Employees for at least 50% of the preceding year, offer a temporary extension of health coverage to Qualified Beneficiaries when coverage would otherwise end because of the occurrence of one or more of Qualifying Events listed below. Under COBRA, a Qualified Beneficiary is any individual who, on the day before a Qualifying Event, is covered under the Policy and is not already covered under the Policy by reason of another individual's election of COBRA.

### **Qualifying Event**

For purposes of coverage under COBRA, the term "Qualifying Event" means, with respect to any Employee, any of the following events which, but for the continuation coverage required under this part, would result in the loss of coverage for a Qualified Beneficiary.

### **Qualifying Events**

### **Duration of Continued Coverage**

1. death of an Employee	36 months
2. termination of employment for any reason except gross misconduct, or the reduction in hours that would result in loss of coverage.	18 months*
3. divorce or legal separation	36 months
4. Employee becomes eligible for Medicare	Dependents and spouse allowed 36 months
5. Employee Dependent no longer meets Employee Dependent eligibility requirements	36 months

\* Coverage may be continued an additional 11 months if the Qualified Beneficiary:

1. is determined disabled for Social Security purposes at the time of the Qualifying Event or within 60 days after continuation coverage begins; and
2. notifies the plan administrator within 60 days from determination (but before the 18 month continuation period ends).

Beneficiaries may be covered by more than one Qualifying Event. However, in no event may the total continuation period exceed 36 months for all Qualifying Events.

### **Notice and Election**

Employee Persons are responsible for notifying the Employer in the case of a divorce, legal separation, cessation or dependency or determination of disability by the Social Security Administration. The Employer must notify the plan administrator of the Qualifying Event. The Employer must notify the Qualified Beneficiaries of their COBRA election rights. The period during which the Qualified Beneficiary must elect or decline continuation of coverage under COBRA ends not earlier than 60 days after the later of (a) the date on which coverage terminates under the Policy by reason of a Qualifying Event, or (b) the date the Qualified Beneficiary receives notice of their COBRA election rights from the plan administrator.

### **Premium Payment**

The Qualified Beneficiary must pay to the Employer the required monthly premium. And Grace Period applying to the Employer will also apply to the Qualified Beneficiary, except the first premium payment. Payment of premium for coverage under the period preceding the election must be made within 45 days of the date of election.

**COBRA Termination** occurs at the earlier of:

1. the premium for continued coverage is not paid within 31 days from being due;
2. the Qualified Beneficiary becomes covered under another group medical plan, if that plan does not contain any exclusion or limitation on any Pre-existing Conditions of the Qualified Beneficiary;
3. the Qualified Beneficiary becomes eligible for Medicare;
4. the Qualified Beneficiary, who is divorced from an Employee, remarries and is covered under the new spouse's medical plan; or
5. the Employer no longer provides medical benefits of any kind.

**PAN-AMERICAN LIFE INSURANCE COMPANY, NEW ORLEANS, LA**

**EMPLOYER APPLICATION FOR GROUP OUTPATIENT PRESCRIPTION DRUG INSURANCE**

The Employer hereby requests to insure eligible persons under Policy [OPD-08-P], based upon its statements and representations that follow. The Employer must select the coverage and pay the required premium. Those eligible will be covered as described in this application. It is agreed that this application supersedes any previous application for this Group Outpatient Prescription Drug Insurance.

[The Employer understands that the initial premium rates will remain in effect for the first [6-12] months after the Policy Effective Date.]

Employer Name: \_\_\_\_\_ Employer Tax ID Number: \_\_\_\_\_

Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Phone number: (\_\_\_\_) \_\_\_\_\_ Direct Communications To: \_\_\_\_\_  
(Name and Title)

Fax number: (\_\_\_\_) \_\_\_\_\_ Contact e-mail address: \_\_\_\_\_

Description of Business: \_\_\_\_\_

Corporation  Partnership  Sole Proprietorship  Other

Do you currently provide coverage under a medical benefit plan for all fulltime employees, unless waived? [(If no, coverage cannot be issued.)]  Yes  No

Current [Medical Benefit] Plan Insurer: \_\_\_\_\_ Policy No. \_\_\_\_\_

Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Number of fulltime employees: \_\_\_\_\_ Minimum hourly requirement per week: \_\_\_\_\_

Number of persons on COBRA or FMLA continuation: Employees \_\_\_\_\_ Dependents \_\_\_\_\_

Please list names, qualifying event and date

Do you wish to cover retired employees under this Plan?  Yes  No If yes, number of retirees: \_\_\_\_\_

Are these retired employees covered under your current [medical] benefit Plan?  Yes  No

[(If no, coverage cannot be issued to retirees.)]

Subsidiaries and Affiliates Included:  Yes  No Affiliate Name(s): \_\_\_\_\_

**PROVISION AND BENEFIT SELECTION**

Effective Date Requested: \_\_\_\_\_ [(not sooner than the [first][fifteenth] day of the first month following acceptance by the Company).]

[Copayment  \_\_\_\_\_  \_\_\_\_\_  \_\_\_\_\_] [Deductible  \_\_\_\_\_  \_\_\_\_\_  \_\_\_\_\_]

Benefit Period: \_\_\_\_\_

Maximum Benefit per Benefit Period: per Insured \$ \_\_\_\_\_ [per Family \$ \_\_\_\_\_]

**75% PARTICIPATION**

2-4 Employees  5 or more Employees (“5+”)]

**EMPLOYER VOLUNTARY**

2-4 Employees  5 or more Employees (“5+”)]

Coverage Options\*:

- Mail Order Option
- Family Planning Products
- Smoking Determents
- Other Legend Drug Package

Coverage Options\*:

- Diabetic Products
- Self Administered Injectibles
- Nutritional Products
- Vacation and Replacements Package

**\* Premiums must be adjusted accordingly]**

Class of Employees:

Regular full-time Employees working [30] or more hours per week.

- All Employees
- All regular full-time Employees
- All Employees, except \_\_\_\_\_

Employees must be actively at work on Effective Date of coverage, if not, coverage will be effective on the First day of the month following return to active employment.

- Retirees
- Dependents of Employees
- Dependents of Retired Employees
- Other

**Waiting Period:**

Waiting Period (current Employees):  Effective Date  2 months  other \_\_\_\_\_  
 1 month  3 months

Waiting Period (new Employees):  1 month  2 months  
 3 months  date employed  other \_\_\_\_\_

New Employees are covered on the first day of the month following the Waiting Period.

Open Enrollment Period \_\_\_\_\_  Not Applicable

**Premiums:**

Employee: \$\_\_\_\_\_ Employee/One Dependent: \$\_\_\_\_\_ Employee/Family: \$\_\_\_\_\_ ]

**BEFORE YOU SIGN, PLEASE SEE THE BACK OF THIS DOCUMENT FOR IMPORTANT FRAUD NOTICES**

Employer's Signature: \_\_\_\_\_ Date: \_\_\_\_\_  
Name: \_\_\_\_\_ Title: \_\_\_\_\_

Agent's Signature: \_\_\_\_\_ Date: \_\_\_\_\_  
Name: \_\_\_\_\_ State License #: \_\_\_\_\_

**Underwritten by: PAN-AMERICAN LIFE INSURANCE COMPANY, NEW ORLEANS, LA**

## IMPORTANT FRAUD NOTICES

<b>FRAUD STATEMENT</b>
Any person who knowingly and with the intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties.
<b>FRAUD STATEMENT APPLICABLE TO RESIDENTS OF ARKANSAS, LOUISIANA AND WEST VIRGINIA</b>
Any person who knowingly presents a false or fraudulent claim for payment of loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.
<b>FRAUD STATEMENT APPLICABLE TO RESIDENTS OF COLORADO</b>
It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance, and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado division of insurance within the department of regulatory agencies.
<b>FRAUD STATEMENT APPLICABLE TO RESIDENTS OF DISTRICT OF COLUMBIA</b>
<b>WARNING:</b> It is a crime to provide false or misleading information to an insurer for the purpose of defrauding the insurer or any other person. Penalties include imprisonment and/or fines. In addition, an insurer may deny insurance benefit if false information materially related to a claim was provided by the applicant.
<b>FRAUD STATEMENT APPLICABLE TO RESIDENTS OF FLORIDA</b>
Any person who knowingly and with intent to injure, defraud, or deceive any insurance company files a statement of claim or an application containing any false, incomplete, or misleading information is guilty of a felony of the third degree.
<b>FRAUD STATEMENT APPLICABLE TO RESIDENTS OF KENTUCKY</b>
Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance containing any materially false information or conceals, for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime.
<b>FRAUD STATEMENT APPLICABLE TO APPLICATIONS TAKEN IN THE STATE OF NEW JERSEY</b>
Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.
<b>FRAUD STATEMENT APPLICABLE TO RESIDENTS OF NEW MEXICO</b>
<b>ANY PERSON WHO KNOWINGLY PRESENTS A FALSE OR FRAUDULENT CLAIM FOR PAYMENT OR LOSS OR BENEFIT OR KNOWINGLY PRESENTS FALSE INFORMATION IN AN APPLICATION FOR INSURANCE MAY BE SUBJECT TO CIVIL FINES AND CRIMINAL PENALTIES.</b>
<b>FRAUD STATEMENT APPLICABLE TO RESIDENTS OF OKLAHOMA</b>
<b>WARNING:</b> Any person who knowingly, and with intent to injure, defraud or deceive any insurer, makes any claim for the proceeds of an insurance policy containing any false, incomplete or misleading information is guilty of a felony.
<b>FRAUD STATEMENT APPLICABLE TO RESIDENTS OF OREGON AND TEXAS</b>
Any person who, with intent to defraud or knowing that he or she is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement may be guilty of fraud.
<b>FRAUD STATEMENT APPLICABLE TO RESIDENTS OF TENNESSEE AND WASHINGTON</b>
It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.
<b>FRAUD STATEMENT APPLICABLE TO RESIDENTS OF VIRGINIA</b>
Any person who, with the intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement may have violated state law.

### IMPORTANT NOTICE: HIV TESTING

California law prohibits an HIV test from being required or used by health insurance companies as a condition of obtaining health insurance coverage.

**PAN-AMERICAN LIFE INSURANCE COMPANY**  
New Orleans, Louisiana

**Outpatient Prescription Drug Employee Enrollment Form**

**Employer Information (TO BE COMPLETED BY THE EMPLOYER)**

Name and Address of Employer or Organization (if applicable)	Full-Time Hire Date
	Telephone

**Employee Information (PLEASE PRINT CLEARLY)**

Last Name	First Name	Initial	Birth Date ____/____/____	Marital Status
Address	Telephone Number		Sex M [ ] F [ ]	Married [ ] Single [ ]
City	State	Zip		

**FAMILY INFORMATION (List only those eligible family members who are enrolling)**

Last Name (If Different)	First Name	Initial	Sex M/F	Age	Birth Date M/D/Y
Spouse					
Dependent					
Dependent					
Dependent					

**COVERAGE SELECTION:\***  **Outpatient Prescription Drug Coverage**  **I Do Not Want Outpatient Prescription Drug Coverage and Waive My Right To It**

I apply for coverage on:  Employee Only       Employee + One       Employee and Family  
 Retiree Only       Retiree + One       Retiree and Family

1. Does Spouse have an Outpatient Prescription Drug Plan: Yes  No  With Whom? \_\_\_\_\_

If answer is "Yes", are dependents enrolled under spouses plan? Yes  No

2. Do you claim a tax exemption for all eligible dependents listed above? Yes  No

If no, who is not? \_\_\_\_\_

3. All dependent children listed above over age 21 are full-time students. Yes  No

NOTE: Children age 21-24 must be unmarried, fulltime students. If applying for a child age 21-24, complete the following:

Dependent's Name \_\_\_\_\_ Name of College or University \_\_\_\_\_

College/University Address \_\_\_\_\_ College/University Phone (\_\_\_\_) \_\_\_\_\_

NOTE: Dependents may only be enrolled if they are currently insured under the medical benefit plan sponsored by the Employer. If the Dependents listed above were not added when the Employee's Outpatient Prescription Drug Insurance became effective, please indicate why they are now being added: \_\_\_\_\_

\*Group Outpatient Prescription Drug Coverage is provided under the Group Outpatient Prescription Drug Insurance Policy OPD-08-P issued to the Group Policyholder insured by Pan-American Life Insurance Company.

[Your insurance coverage is subject to an agreement with Participating Retail Pharmacies. It is important that you verify that your pharmacy is a participating pharmacy each time you make a purchase.]

**By my signature below, I hereby apply for the coverage or coverages selected above. If I am waiving coverage, I have checked the box "I Do Not Want Outpatient Prescription Drug Coverage and Waive My Right To It." I CERTIFY THAT I HAVE READ THE APPLICABLE FRAUD NOTICE ON THE REVERSE SIDE. I also hereby authorize payroll deductions from my earnings for any contributions required. This Authorization remains in effect until revoked by me in writing. I understand that this application shall not be altered in any way unless I have given written consent.**

California Law prohibits an HIV Test from being required or used by health insurance companies as a condition of obtaining health insurance coverage.

Employee Signature \_\_\_\_\_ Date \_\_\_\_\_

**FOR COMPANY USE ONLY**

Effective Date: \_\_\_/\_\_\_/\_\_\_ Plan Code: \_\_\_\_\_  
Group #/ Division \_\_\_\_\_ CPT: \_\_\_\_\_

**Mail To:**  
[Licensed Producer]

**Administered by:**  
[Licensed TPA]

## IMPORTANT FRAUD NOTICES

### [FRAUD STATEMENT

Any person who knowingly and with the intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties.

### **FRAUD STATEMENT APPLICABLE TO RESIDENTS OF ARKANSAS, LOUISIANA AND WEST VIRGINIA**

Any person who knowingly presents a false or fraudulent claim for payment of loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

### **FRAUD STATEMENT APPLICABLE TO RESIDENTS OF COLORADO**

It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance, and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado division of insurance within the department of regulatory agencies.

### **FRAUD STATEMENT APPLICABLE TO RESIDENTS OF DISTRICT OF COLUMBIA**

WARNING: It is a crime to provide false or misleading information to an insurer for the purpose of defrauding the insurer or any other person. Penalties include imprisonment and/or fines. In addition, an insurer may deny insurance benefit if false information materially related to a claim was provided by the applicant.

### **FRAUD STATEMENT APPLICABLE TO RESIDENTS OF FLORIDA**

Any person who knowingly and with intent to injure, defraud, or deceive any insurance company files a statement of claim or an application containing any false, incomplete, or misleading information is guilty of a felony of the third degree.

### **FRAUD STATEMENT APPLICABLE TO RESIDENTS OF KENTUCKY**

Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance containing any materially false information or conceals, for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime.

### **FRAUD STATEMENT APPLICABLE TO APPLICATIONS TAKEN IN THE STATE OF NEW JERSEY**

Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.

### **FRAUD STATEMENT APPLICABLE TO RESIDENTS OF NEW MEXICO**

ANY PERSON WHO KNOWINGLY PRESENTS A FALSE OR FRAUDULENT CLAIM FOR PAYMENT OR LOSS OR BENEFIT OR KNOWINGLY PRESENTS FALSE INFORMATION IN AN APPLICATION FOR INSURANCE MAY BE SUBJECT TO CIVIL FINES AND CRIMINAL PENALTIES.

### **FRAUD STATEMENT APPLICABLE TO RESIDENTS OF OKLAHOMA**

WARNING: Any person who knowingly, and with intent to injure, defraud or deceive any insurer, makes any claim for the proceeds of an insurance policy containing any false, incomplete or misleading information is guilty of a felony.

### **FRAUD STATEMENT APPLICABLE TO RESIDENTS OF OREGON AND TEXAS**

Any person who, with intent to defraud or knowing that he or she is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement may be guilty of fraud.

### **FRAUD STATEMENT APPLICABLE TO RESIDENTS OF TENNESSEE AND WASHINGTON**

It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.

### **FRAUD STATEMENT APPLICABLE TO RESIDENTS OF VIRGINIA**

Any person who, with the intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement may have violated state law.]

**PAN-AMERICAN LIFE INSURANCE COMPANY**

**GROUP OUTPATIENT PRESCRIPTION DRUG POLICY AMENDATORY ENDORSEMENT**

**AMENDATORY ENDORSEMENT NO. 1**

ATTACHED TO AND MADE A PART OF **POLICY NO. OPD-08-P**

This Amendatory Endorsement applies only to coverage provided under the Policy to an Insured who is a resident of Arkansas at the time of application for this coverage.

The Policy is amended, as of the Effective Date of Your Policy, as follows:

1. The COVER PAGE is amended to include the following NOTICE:

**NOTICE**

Should you have any questions with your coverage, you should contact your agent identified on your Application;

or you may contact our policyholder service office at:

Pan-American Life Insurance Company  
601 Poydras, New Orleans, Louisiana 70130  
(877) 569-3075

Furthermore, you may also obtain assistance through the:

Arkansas Insurance Department  
Consumer Service Division  
1200 West Third Street  
Little Rock, Arkansas 72201-1904  
Telephone: (800) 852-5494 or (501) 371-2640

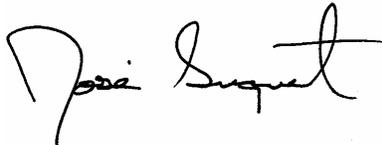
2. The ELIGIBILITY Section is amended by the deletion of the Adopted Children Coverage section. The following is substituted in its place:

**Adopted Children Coverage**

A Dependent child for whom You have filed a petition to adopt while this coverage is in force will be covered on the date of the filing of a petition for adoption if You enroll for coverage and provide any additional premium within 60 days after the filing of the petition for adoption. However, the coverage will begin from the moment of birth if the petition for adoption and enrollment together with any additional premium is submitted to Us within sixty (60) days after the birth of the minor. This coverage will continue, unless the petition for adoption is dismissed or denied.

Except as amended above, the Policy remains unchanged. All changes are subject to the terms and conditions of the Policy.

**PAN-AMERICAN LIFE INSURANCE COMPANY**



**President and Chief Executive Officer**

**PAN-AMERICAN LIFE INSURANCE COMPANY**

**GROUP OUTPATIENT PRESCRIPTION DRUG CERTIFICATE OF INSURANCE AMENDATORY  
ENDORSEMENT**

**AMENDATORY ENDORSEMENT NO. 1**

ATTACHED TO AND MADE A PART OF **CERTIFICATE NO. OPD-08-C**

This Amendatory Endorsement applies only to coverage provided under the Certificate to an Insured who is a resident of Arkansas at the time of application for this coverage.

The Certificate is amended, as of the Effective Date of Your Policy, as follows:

1. The **COVER PAGE** is amended to include the following **NOTICE**:

**NOTICE**

Should you have any questions with your coverage, you should contact your agent identified on your Application;

or you may contact our policyholder service office at:

Pan-American Life Insurance Company  
601 Poydras, New Orleans, Louisiana 70130  
(877) 569-3075

Furthermore, you may also obtain assistance through the:

Arkansas Insurance Department  
Consumer Service Division  
1200 West Third Street  
Little Rock, Arkansas 72201-1904  
Telephone: (800) 852-5494 or (501) 371-2640

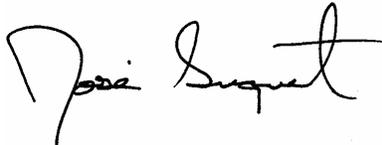
2. The **ELIGIBILITY** Section is amended by the deletion of the **Adopted Children Coverage** section. The following is substituted in its place:

**Adopted Children Coverage**

A Dependent child for whom You have filed a petition to adopt while this coverage is in force will be covered on the date of the filing of a petition for adoption if You enroll for coverage and provide any additional premium within 60 days after the filing of the petition for adoption. However, the coverage will begin from the moment of birth if the petition for adoption and enrollment together with any additional premium is submitted to Us within sixty (60) days after the birth of the minor. This coverage will continue, unless the petition for adoption is dismissed or denied.

Except as amended above, the Certificate remains unchanged. All changes are subject to the terms and conditions of the Certificate.

**PAN-AMERICAN LIFE INSURANCE COMPANY**



**President and Chief Executive Officer**

*SERFF Tracking Number:*      *ICCI-125880839*                      *State:*                      *Arkansas*  
*Filing Company:*              *Pan-American Life Insurance Company*              *State Tracking Number:*      *40723*  
*Company Tracking Number:*      *OPD-08-P*  
*TOI:*                      *H17G Group Health - Prescription Drug*              *Sub-TOI:*                      *H17G.000 Health - Prescription Drug*  
*Product Name:*              *Pan-American Outpatient Drug Policy*  
*Project Name/Number:*              *Pan-American Outpatient Drug Policy/Pan-American Outpatient Drug Policy OPD-08-P*

## **Rate Information**

Rate data does NOT apply to filing.

SERFF Tracking Number: ICCI-125880839 State: Arkansas  
 Filing Company: Pan-American Life Insurance Company State Tracking Number: 40723  
 Company Tracking Number: OPD-08-P  
 TOI: H17G Group Health - Prescription Drug Sub-TOI: H17G.000 Health - Prescription Drug  
 Product Name: Pan-American Outpatient Drug Policy  
 Project Name/Number: Pan-American Outpatient Drug Policy/Pan-American Outpatient Drug Policy OPD-08-P

## Supporting Document Schedules

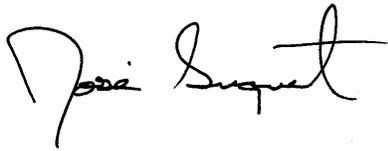
<b>Satisfied -Name:</b> Certification/Notice	<b>Review Status:</b> Approved-Closed	10/31/2008
<b>Comments:</b>		
<b>Attachment:</b> Cert of Comp OPD-08-P.pdf		
<b>Bypassed -Name:</b> Application	<b>Review Status:</b> Approved-Closed	10/31/2008
<b>Bypass Reason:</b> Application is filed in the forms.		
<b>Comments:</b>		
<b>Satisfied -Name:</b> Cover letter	<b>Review Status:</b> Approved-Closed	10/31/2008
<b>Comments:</b>		
<b>Attachment:</b> AR Pan Amer OPD 10-30-08.pdf		
<b>Satisfied -Name:</b> Fee Schedule	<b>Review Status:</b> Approved-Closed	10/31/2008
<b>Comments:</b>		
<b>Attachment:</b> AR_Fee_Schedule OPD-08-P.pdf		
<b>Satisfied -Name:</b> Pan American Authorization letter for Outpatient Prescription Drug Policy	<b>Review Status:</b> Approved-Closed	10/31/2008
<b>Comments:</b>		
<b>Attachment:</b> ICC PAN-AM AUTH - Outpatient Prescription Drug Policy.pdf		

**Certificate of Compliance with  
Arkansas Rule and Regulation 19**

Insurer: Pan-American Life Insurance Company

Form Number(s): OPD-08-P, et.al.,

I hereby certify that the filing above meets all applicable Arkansas requirements including the requirement of Rule and Regulation 19.

A handwritten signature in black ink that reads "Jose Suquet". The signature is written in a cursive style with a large initial "J" and a long horizontal stroke at the end.

Signature of Company Officer

Jose Suquet

Name

President and CEO

Title

October 30, 2008

Date



INSURANCE  
COMPLIANCE  
CONSULTANTS, INC.

519 Colman Center Drive  
Rockford, Illinois 61108

Phone: (815) 316-6714  
FAX: (815) 316-6720

October 30, 2008

Honorable Julie Benafield Bowman  
Insurance Commissioner  
State of Arkansas  
Arkansas Department of Insurance  
1200 W. Third St.  
Little Rock, AR 72201-1904

RE: Pan-American Life Insurance Company – FEIN: 72-0281240  
NAIC: 67539  
Group Outpatient Prescription Drug Policy – OPD-08-P  
Policy Amendatory Endorsement – OPD-08-P-AE1  
Certificate of Insurance – OPD-08-C  
Amendatory Endorsement – OPD-08-C-AE1  
Employer Application – OPD-08-ERAPP  
Employee Application – OPD-08-EEAPP

Dear Commissioner Benafield Bowman:

We are hereby submitting the above referenced forms for filing in your state. These forms are new and are not intended to replace any forms previously approved in your state.

Insurance Compliance Consultants, Inc., is making this filing on behalf of Pan-American Life Insurance Company. A filing authorization letter is attached. All correspondence should be addressed to Insurance Compliance Consultants, Inc., at the address shown above.

Group Outpatient Prescription Drug Policy form OPD-08-P will be issued to the Employer. Amendatory Endorsement OPD-08-P-AE1 will be attached to the Group Policy. Form OPD-08-C is the Group Certificate of Insurance evidencing coverage under the Group Policy. Amendatory Endorsements OPD-08-C-AE1 will be attached to all certificates issued in Arkansas.

Application form OPD-08-EEAPP is the employee application used to apply for coverage and Application OPD-08-ERAPP is the employer application.

Bracketed material is considered variable.

The Policy document was prepared on a personal computer and will ultimately be printed from another data processing system that may cause some print style and/or page spacing changes. However, there will not be any changes to the actual text of the contract or to the general print size.

Your prompt review of this submission will be greatly appreciated. If I can provide any additional information, please contact me at (815)316-6714, fax me at (815)316-6720, or e-mail me at [Brendadawson@inscompliance.com](mailto:Brendadawson@inscompliance.com). Thank you.

Sincerely,

Brenda Dawson, FLMI, AIRC, ACS  
Authorized Representative  
Insurance Compliance Consultants, Inc.



**ARKANSAS  
INSURANCE  
DEPARTMENT**  
1200 West Third Street  
Little Rock Arkansas 72201-1904  
501-371-2600

Mike Pickens  
Insurance Commissioner

ATTN: LIFE & HEALTH DIVISION, ARKANSAS INSURANCE DEPARTMENT

Company Name: **Pan-American Life Insurance Company**  
 Company NAIC Code: **67539**  
 Company Contact Person & Telephone # **Brenda Dawson, Insurance Compliance Consultants, Inc., (815) 316-6714**  
 Form Number(s): DEN-07-P, DEN-07-C, DEN-07-P-AE1, DEN-07-C-AE1, DEN-07-P-APP, DEN-07-EN-APP

\*\*\*\*\*  
 \* INSURANCE DEPARTMENT USE ONLY \*  
 \* \* \* \* \*  
 \* ANALYST: \_\_\_\_\_ AMOUNT: \_\_\_\_\_ ROUTE SLIP: \_\_\_\_\_ \*  
 \* \* \* \* \*

ALL FEES ARE PER EACH INSURER, PER ANNUAL STATEMENT LINE OF BUSINESS, UNLESS OTHERWISE INDICATED.

FEE SCHEDULE FOR ADMITTED INSURERS

RATE/FORM FILINGS

Life and/or Disability policy form filing and review, per each policy, contract, annuity form, per each insurer, per each filing	*1 _____ x \$50 = <u>\$50</u> **Retaliatory _____
Life and/or Disability - Filing and review of each rate filing or loss ratio guarantee filing, per each insurer.	* _____ x \$50 = _____ **Retaliatory _____
Life and/or Disability Policy, Contract or Annuity Forms: Filing and review of each certificate, rider, endorsement or application if each is filed separately from the basic form.	* _____ x \$20 = _____ **Retaliatory _____
Policy and contract forms, all lines, filing corrections in previously filed policy and contract forms.	* _____ x \$20 = _____ **Retaliatory _____
Life and/or Disability: Filing and review of Insurer's advertisements, per advertisement, per each insurer.	* _____ x \$25 = _____ **Retaliatory _____

AMEND CERTIFICATE OF AUTHORITY

Review and processing of information to  
amend an Insurer's Certificate of Authority.

\* \_\_\_\_\_ x \$400 = \_\_\_\_\_

Filing to amend Certificate of Authority.

\*\*\* \_\_\_\_\_ x \$100 = \_\_\_\_\_

\*THESE FEES ARE PAYABLE UNDER THE NEW FEE SCHEDULE AS OUTLINED UNDER RULE  
AND REGULATION 57.

\*\*THESE FEES ARE PAYABLE UNDER THE OLD FEE SCHEDULE AS OUTLINED UNDER ARK.  
CODE ANN. 23-63-102, RETALIATORY TAX.

\*\*\*THESE FEES ARE PAYABLE AS REQUIRED IN ARK. ANN. 23-61-401.



May 1, 2008

NAIC Company Code: 67539

Re: Group Outpatient Prescription Drug Policy, OPD-08-P, et al

To: All State Insurance Departments

Pan-American Life Insurance Company of New Orleans, LA, hereby authorizes Insurance Compliance Consultants, Inc., to represent us in the submission of the above captioned forms and to negotiate with insurance departments for their approval.

Sincerely,

**PAN-AMERICAN LIFE INSURANCE COMPANY**

A handwritten signature in black ink that reads "José Suquet". The signature is written in a cursive style with a long horizontal stroke at the end.

José Suquet, President and Chief Executive Officer

*SERFF Tracking Number:*      *ICCI-125880839*                      *State:*                      *Arkansas*  
*Filing Company:*              *Pan-American Life Insurance Company*              *State Tracking Number:*      *40723*  
*Company Tracking Number:*      *OPD-08-P*  
*TOI:*                      *H17G Group Health - Prescription Drug*              *Sub-TOI:*                      *H17G.000 Health - Prescription Drug*  
*Product Name:*              *Pan-American Outpatient Drug Policy*  
*Project Name/Number:*              *Pan-American Outpatient Drug Policy/Pan-American Outpatient Drug Policy OPD-08-P*

## **Superseded Attachments**

Please note that all items on the following pages are items, which have been replaced by a newer version. The newest version is located with the appropriate schedule on previous pages. These items are in date order with most recent first.

<b>Original Date:</b>	<b>Schedule</b>	<b>Document Name</b>	<b>Replaced Date</b>	<b>Attach Document</b>
No original date	Form	Certificate of Insurance	10/30/2008	OPD-08-C.pdf



PAN-AMERICAN LIFE INSURANCE COMPANY  
(A Stock Company) (also referred to as “the Company” “We” “Our” or “Us”)  
601 Poydras Street, New Orleans, LA 70130  
Toll Free: (877) 569-3075

**CERTIFICATE OF COVERAGE**

under the  
Group Policy Held by the Policyholder

**POLICY NUMBER:** [OPD-1]  
**POLICYHOLDER:** [ABC EMPLOYER]  
**POLICY EFFECTIVE DATE:** [SEPTEMBER 1, 2008]  
**POLICY ANNIVERSARY DATE:** [Each SEPTEMBER 1st after 2008]  
**STATE OF ISSUE;** [XXXXX]  
**CERTIFICATEHOLDER EFFECTIVE DATE:** [NOVEMBER 1, 2008]  
**DEPENDENT EFFECTIVE DATE:** [JANUARY 1, 2009]

The Pan-American Life Insurance Company has issued a Group Policy covering certain Employees of the Employer. The benefits of the Group Policy are described in this booklet. Final interpretation is governed by the Policy. This Certificate replaces any and all Certificates previously issued for the Employees under the Policy. This Certificate describes the Group Policy in effect as of the Effective Date shown above. This booklet is the Employee's Certificate of Coverage only when the Employee is covered under the Policy.

Signed for Pan-American Life Insurance Company at New Orleans, Louisiana on the Policy’s Effective Date.

**READ THIS CERTIFICATE CAREFULLY**

**PAN-AMERICAN LIFE INSURANCE COMPANY**

President and Chief Executive Officer

**GROUP OUTPATIENT PRESCRIPTION DRUG COVERAGE  
NON-PARTICIPATING**

**[TABLE OF CONTENTS**

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]

**[SCHEDULE OF BENEFITS]**

<b>[[New Employee] Waiting Period]</b>			[0-90 days]
<b>[Open Enrollment Period]</b>			[November 1 – December 1]
<b>Benefit</b>			[[80%-100%] of Covered Charges, after Copayment [and] [or] [Deductible], subject to any Maximum Payable per Benefit Period]
<b>Benefit Period</b>			[January 1 – December 31]
<b>Maximum Payable Per Benefit Period</b> Per Insured Person			[\$200 - \$100,000]
<b>Deductible</b>			[0-\$1000] [Per Prescription] [0-\$1000] [Per Month] [Per Quarter] [Per Year]
<b>[Copayment</b>			
[Participating]	[Formulary]	[Generic]	[the greater of [\$0-\$100] and [0%-75%] [1-30 day supply [\$0-\$100]] [30-90 day supply [\$0-\$200]] [\$10.00 - \$30.00]
[Participating]	[Formulary]	[Brand] [Oral Contraceptives Only]	[the greater of [\$0-\$100] and [0%-75%] [1-30 day supply [\$0-\$100]] [30-90 day supply [\$0-\$200]] [\$20.00 - \$50.00]
[Participating]	[Formulary]	[Non Preferred Brand]	[the greater of [\$0-\$100] and [0%-75%] [1-30 day supply [\$0-\$100]] [30-90 day supply [\$0-\$200]] [\$22.00 - \$55.00, then [50%] of the remaining balance of the Covered Charge.]
[Participating]	[Non Formulary]	[Generic]	[the greater of [\$0-\$100] and [0%-75%] [1-30 day supply [\$0-\$100]] [30-90 day supply [\$0-\$200]]
[Participating]	[Non Formulary]	[Brand] [Oral Contraceptives Only]	[the greater of [\$0-\$100] and [0%-75%] [1-30 day supply [\$0-\$100]] [30-90 day supply [\$0-\$200]]
[Participating]	[Non Formulary]	[Non Preferred Brand]	[the greater of [\$0-\$100] and [0%-75%] [1-30 day supply [\$0-\$100]] [30-90 day supply [\$0-\$200]]
[Non Participating]	[Formulary]	[Generic]	[the greater of [\$0-\$100] and [0%-75%] [1-30 day supply [\$0-\$100]] [30-90 day supply [\$0-\$200]] [\$10.00 - \$30.00]

[Non Participating]	[Formulary]	[Brand] [Oral Contraceptives Only]	[the greater of [\$0-\$100] and [0%-75%] [1-30 day supply [\$0-\$100]] [30-90 day supply [\$0-\$200]] [\$20.00 - \$50.00]
[Non Participating]	[Formulary]	[Non Preferred Brand]	[the greater of [\$0-\$100] and [0%-75%] [1-30 day supply [\$0-\$100]] [30-90 day supply [\$0-\$200]] [\$22.00 - \$55.00, then [50%] of the remaining balance of the Covered Charge.]
[Non Participating]	[Non Formulary]	[Generic]	[the greater of [\$0-\$100] and [0%-75%] [1-30 day supply [\$0-\$100]] [30-90 day supply [\$0-\$200]]
[Non Participating]	[Non Formulary]	[Brand] [Oral Contraceptives Only]	[the greater of [\$0-\$50] [\$0-\$100] and [0%-75%] [0%-75%] [1-30 day supply [\$0-\$100]] [30-90 day supply [\$0-\$200]]
[Non Participating]	[Non Formulary]	[Non Preferred Brand]	[the greater of [\$0-\$50] [\$0-\$100] and [0%-75%] [0%-75%] [1-30 day supply [\$0-\$100]] [30-90 day supply [\$0-\$200]]
[Our Approved Mail Service Participating Pharmacy]	[Formulary]	[Generic]	[the greater of [\$0-\$100] and [0%-75%] [1-30 day supply [\$0-\$100]] [30-90 day supply [\$0-\$200]] [\$20.00 - \$60.00 each 90-day Prescription] [Only available to Employees of Employers who pay premium quarterly.]
[Our Approved Mail Service Participating Pharmacy]	[Formulary]	[Brand] [Oral Contraceptives Only]	[the greater of [\$0-\$100] and [0%-75%] [1-30 day supply [\$0-\$100]] [30-90 day supply [\$0-\$200]] [\$50.00 - \$100.00] [each 90-day Prescription.] [Only available to Employees of Employers who pay premium quarterly.]
[Our Approved Mail Service Participating Pharmacy]	[Formulary]	[Non Preferred Brand]	[the greater of [\$0-\$100] and [0%-75%] [1-30 day supply [\$0-\$100]] [30-90 day supply [\$0-\$200]] [\$60.00 - \$110.00], then [50%] of the remaining balance of the Covered Charge for each 90-day Prescription] [Only available to Employees of Employers who pay premium quarterly.]
[Our Approved]	[Non Formulary]	[Generic]	[the greater of [\$0-\$100] and [0%-75%] [1-30 day supply [\$0-\$100]]

Mail Service  
Participating  
Pharmacy]

[30-90 day supply [\$0-\$200]]

[Our  
Approved  
Mail Service  
Participating  
Pharmacy]

[Non  
Formulary]

[Brand] [Oral  
Contraceptives  
Only]

[the greater of [\$0-\$100] and [0%-75%]  
[1-30 day supply [\$0-\$100]]  
[30-90 day supply [\$0-\$200]]

[Our  
Approved  
Mail Service  
Participating  
Pharmacy]

[Non  
Formulary]

[Non Preferred  
Brand]

[the greater of [\$0-\$100] and [0%-75%]  
[1-30 day supply [\$0-\$100]]  
[30-90 day supply [\$0-\$200]]

## SECTION 1 - DEFINITIONS

**[Benefit Period]** means the period of time when benefits are payable. Unless stated otherwise [on the] [Schedule] [or] [Employee's Application], a Benefit Period is a Calendar Year.]

**Brand Name** means a drug: 1) approved by the Food and Drug Administration; and 2) protected by the trademark registration of the pharmaceutical company which produces such drug.

**[Calendar Year]** means a one year period that begins on January 1st at 12:01 a.m. Standard Time and ends on January 1st at 12:01 a.m. Standard Time of the following year at the Policyholder's address.]

**Covered Charges** means the Negotiated Rate or the Usual, Customary or Reasonable Charge for expenses incurred by an Insured Person on the date of the Pharmacy Services for a Formulary or [Non-formulary] Medically Necessary Outpatient Prescription Drug.

**[Copayment]** means the dollar amount and/or percentage of each Prescription Drug charge the Insured Person must pay.]

**[Deductible]** means the amount of Covered Charges that must be satisfied by an Insured Person each Benefit Period prior to benefits being paid by Us.]

**Dependent** means any of the following persons:

1. The Employee's spouse;
2. Each unmarried child of the Employee from birth to age 21;
3. Each unmarried child of the Employee who is a full-time student may be covered until age [24-26] provided such child is attending an accredited college, vocational or high school and enrolled in sufficient courses to maintain full-time status and is dependent on the Employee for their support. We may require proof of full-time status.
4. Each unmarried child of the Employee at least 21 years of age:
  - a) who is incapable of self-sustaining employment by reason of mental or physical handicap;
  - b) who was so incapacitated and is an Insured Dependent under the Policy on his or her 21st birthday; and
  - c) who has been continuously so incapacitated since his or her 21st birthday.

A Dependent may not be an Employee of the Policyholder. No person can be an eligible Dependent for more than one employee.

**Effective Date** means the effective date of Your or Your Dependent's coverage listed on the face page of this Certificate.

**Employee** means a person who is employed by the Policyholder and meeting the minimum hourly requirements shown in the Policyholder's application. If the Employer is a proprietorship or partnership, the individual proprietor or each of the partners is an Employee only if engaged in the regular business of the Employer for the minimum hourly requirement shown in the Policyholder's application. No director of a corporate Employer is an Employee solely because of such directorship. [Employee includes a Retiree, but only if a Retiree class is requested on the Policyholder's application.]

**Employer** means the Policyholder and includes any division, subsidiary or affiliated company wholly owned by the Policyholder and named in the Policyholder's application. The Employer is deemed the Plan Administrator for the purpose of compliance with and duties arising under ERISA and COBRA.

**[Formulary** means a list, provided by Us, of prescription medications that are [preferred for use] [covered under the Policy]. [The Formulary categorizes prescription medications into categories of: preferred Brand, non-preferred Brand and preferred Generic].

**Generic** means therapeutically equivalent drugs as determined by the Food and Drug Administration which are identical to the Brand Name drugs in strength or concentration, dosage form and route of administration.

**Geographic Area** means the three digit zip code in which the Prescription Drugs are dispensed; or a greater area if necessary to obtain a representative cross-section of charge for a like Prescription Drug.

**Immediate Family** means any person related by blood or marriage to an Insured Person.

**Insured Person** means either an Employee [, Retiree] or Dependent.

**Legend Drug** means any medical substance whose label is required to bear the legend "Caution: Federal Law Prohibits Dispensing Without A Prescription"; or a state restricted drug that may not require a prescription under Federal Law, but does require one under state law.

**Medically Necessary** means that the Prescription Drug is necessary and appropriate for the diagnosis or treatment of a condition based on generally accepted current medical practice. A Prescription Drug will not be considered Medically Necessary if: (1) it is not appropriate treatment for the Insured Person's diagnosis or symptoms; or (2) it is part of a plan of treatment that is experimental, unproven or related to a research protocol. Because any particular Physician may prescribe, order, recommend, or approve a Prescription Drug does not, of itself, make the service or supply Medically Necessary.

**Negotiated Rate** means the rate mutually agreed upon between Us and a Participating Pharmacy in a specific instance.

**Non-Participating Pharmacy** means a pharmacy that has not contracted with Us in a program used by Us to provide services at a Negotiated Rate.

**[Open Enrollment** means Employees [,Retirees] [and their Dependents] may enroll under the Policy during a specified period of time agreed on by Us and the Policyholder, if requested on the Policyholder's application.]

**Our Approved Mail Service Participating Pharmacy** means a pharmacy that has contracted with Us to provide mail order services at a Negotiated Rate.

**Outpatient** means a Prescription Drug is not taken in or administered by a hospital or any other health care facility or office.

**Participating Retail Pharmacy** means a pharmacy that has contracted with Us to provide services at a Negotiated Rate.

**Physician** means a qualified licensed medical practitioner other than an Insured Person or a member of an Insured Person's Immediate Family. Physician includes all providers of medical care and treatment to the extent that they are licensed to write a prescription for a Legend Drug.

**Plan Administrator** means Your Employer.

**Prescription Drug** means all Outpatient Medically Necessary Legend non-injectable medications shown on the Formulary, unless otherwise specifically excluded.

**Policy** means the Policy issued to the Policyholder. The Policy number is shown on the face page of this Certificate.

**Policyholder** means Your Employer listed on the face page of this Certificate.

**Regular and Customary Activities** means a person can carry on a substantial part of the standard and commonly practiced activities of a person in good health of the same age and sex. Activities performed while confined in a hospital or other medical institution may not be used to meet this requirement.

[**Retiree** means any former Employee who is covered under a non-discriminatory, written retirement plan that provides for benefits on the same terms and conditions as an Employee.]

**Usual, Customary, and Reasonable** means a charge that does not exceed the general level of charges being made by other providers of Outpatient Prescription Drug services for Generic Prescription Drugs in the Geographic Area where the charge is incurred.

**Waiting Period** means a period of time that must pass with respect to an Employee before the Employee is eligible to be covered for benefits under the terms of the Policy. The Waiting Period is determined by the Employer on the application for the Policy.

**You, Your, Certificateholder** means the person named on this Certificate of Insurance as the Employee.

**We, Our, Us, Company** means Pan-American Life Insurance Company.

## SECTION 2 - ELIGIBILITY AND EFFECTIVE DATE

### ELIGIBILITY - EMPLOYEE

All Employees as shown on the Policyholder's application are eligible for coverage [subject to the Waiting Period] [and Retirees]. [Evidence of Insurability is required as described on the Policyholder's application.]

### ELIGIBILITY - DEPENDENT

A Dependent is eligible for coverage on the later of the date the Employee [and Retiree] becomes eligible for coverage or the date the Employee [and Retiree] first acquires the Dependent after his Effective Date of coverage. [Evidence of Insurability is required as described on the Policyholder's application.]

### EFFECTIVE DATE

#### [Employees]

An [Employee's] [or Retiree's] coverage will be effective on [the first [or the 15<sup>th</sup>] of the month following] the date the [Employee] [or Retiree] becomes eligible, subject to Our receipt of the first premium [provided he is[: a)] not confined at home or in a hospital or medical institution[:; and b)

engaging in his Regular and Customary Activities.]] In no event will coverage become effective before the Effective Date of the Policy.

### **Dependents**

Dependent coverage may only be added and be effective at the times described below. In no event will coverage become effective before the Effective date of the Policy or [Employee's] [or Retiree's] coverage.

#### **[Employer Paid Dependent Coverage]**

[If the Employee [or Retiree] is not required to pay any of the Dependent premium, eligible Dependents' coverage will be effective on [the first [or the 15th] of the month following] the date the Dependent becomes eligible, subject to Our receipt of the first premium provided he is[: a)] not confined at home or in a hospital or medical institution[; and b) engaging in his Regular and Customary Activities]].]

#### **[Employee Paid Dependent Coverage]**

##### **[Timely Enrollees**

If [the Employee [or Retiree] is required to pay part or all of the Dependent premium and] an eligible Employee [or Retiree] elects Dependent coverage in writing within [31-60] days after becoming eligible, the eligible Dependent's coverage will become effective as of the date the Employee's [or Retiree's] coverage is effective, subject to Our receipt of the first premium [provided he is[: a)] not confined at home or in a hospital or medical institution[; and b) engaging in his Regular and Customary Activities]]. In no event will coverage become effective before the Effective Date of the Policy or Employee's [or Retiree's] coverage.

##### **Qualified Late Enrollees**

If [the Employee [or Retiree] is required to pay part or all of the Dependent premium and] an eligible Employee elects Dependent coverage during an Open Enrollment period established by the Policyholder or within [31-60] days of a Family Status Change, eligible Dependents' coverage will become effective on [the first of the month following] [the 15th of the month following] [the date] such coverage is elected in writing, subject to Our receipt of the first premium [provided he is[: a)] not confined at home or in a hospital or medical institution[; and b) engaging in his Regular and Customary Activities]].]

**Family Status Change** means the addition of a Dependent to an Employee's [or Retiree's] family due to marriage, birth or adoption. A Family Status Change will also be deemed to have occurred on the date the Employee's Dependent becomes eligible due to:

1. loss of coverage under a public or private health insurance plan due to termination of employment or eligibility, termination of the plan, death of a spouse, divorce; or
2. the Employee being required by court order to provide coverage for a spouse or minor child.

##### **Newborn Child and Adopted Child**

Benefits are payable for a newborn child from the moment of birth. Benefits are payable for a child placed in the home for adoption from the date of placement as certified by the public or private agency making the placement of such child pursuant to an adoption proceeding. Benefits for such placed child will terminate upon termination of the adoption proceedings as certified by the public or private agency. Benefits are payable for an adopted child, a foster child and/or a child in custodial care, if not placed in the home before adoption, from the moment of birth or placement. Coverage for such child will consist of benefits for Outpatient Prescription Drugs due to injury and sickness including the necessary care and treatment of medically diagnosed congenital defects, birth abnormalities, and pre-maturity.

If additional premium is required, the Employee [or Retiree] must enroll the newborn child, the child placed for adoption, or the adopted child and furnish required premium within [31] days after birth, placement, or adoption. If premium is not furnished within that period, coverage as to such child will terminate at the end of this 31 day period.

**[Delayed Effective Date**

If an eligible Employee or Dependent is: (a) confined at home or in a hospital or medical institution; or (b) not engaged in his Regular and Customary Activities on the day coverage would otherwise begin,] then coverage will begin [the first [or 15th] of the month following] the day he is: (a) no longer confined at home or in a hospital or medical institution; and (b) engages in his Regular and Customary Activities]].]

**[REPLACEMENT OF PRIOR POLICY**

This provision applies when the Policy immediately replaces a prior policy with similar benefits.

Each person who is eligible for coverage according to the prior carrier policy (in respect of being in an eligible class and non-confinement rules) will be covered by the Policy.

Each person not eligible for coverage under the Policy will be covered by the Policy according to the following rules, if the person was validly covered (including benefit extension) under the prior policy on its termination date and if such person is a member of an eligible class under the Policy. Any reference in the following rules to a person who was or was not performing his or her Regular and Customary Activities is a reference to that person's status immediately before the effective date of the Policy:

1. the minimum level of benefits under the Policy will be the applicable level of benefits of the prior policy reduced by any benefits payable by the prior policy;
2. coverage provided by the Policy under (1) will continue until the earliest of these dates:
  - a. the date the person becomes eligible under the Policy;
  - b. the date the person's coverage would terminate according to the Policy's Termination of Insurance provisions; or
  - c. in the case of a person who was not performing his or her Regular and Customary Activities, and if the prior policy is required to extend benefits for its accrued liability, the end of any period of extension or accrued liability of the prior policy.]

**SECTION 3 - BENEFITS**

Benefits are payable as shown on the Schedule for Covered Charges incurred by an Insured Person for the purchase of Outpatient Prescription Drugs from a Participating Retail Pharmacy, Our Approved Mail Service Participating Pharmacy or a Non-Participating Pharmacy. Any [Copayment] [and] [or] [Deductible] must be satisfied before benefits will be paid. All benefit amounts are subject to the maximums listed on the Schedule.

**Prescription Drugs Purchased With Drug Card**

The Employee will be given a Prescription Drug card. An Insured Person is required to present the Prescription Drug card to the Participating Retail Pharmacy and must pay any appropriate [Copayment] [and] [or] [Deductible] amount shown in the Schedule, at the time each Prescription Drug is filled or refilled. When a Prescription Drug card is used at a Participating Retail Pharmacy, benefits are assigned to the Participating Retail Pharmacy.

**[Prescription Drugs Purchased Without Drug Card**

If an Insured Person purchases a Prescription Drug at a Non-Participating Pharmacy or purchases a Prescription Drug at a Participating Retail Pharmacy without the Prescription Drug card, the Insured Person must pay the full cost for the Prescription Drug at the time of purchase and complete a claim form. Reimbursement is subject to the [Copayment] [and] [or] [Deductible] shown on the Schedule and the Usual, Reasonable and Customary Amount. Payment will be made directly to the Employee [or Retiree] when a Non-Participating Pharmacy is used or where purchase is made without the Prescription Drug card at a Participating Retail Pharmacy.]

**[Prescription Drugs Purchased By Mail Order [(If Elected by Your Employer)]**

An Insured Person may choose to purchase Prescription Drugs by mailing Our approved reimbursement form to Our Approved Mail Service Participating Pharmacy. The Insured Person will be required to pay any Mail Service [Copayment] [and] [or] [Deductible] shown in the Schedule. All benefit amounts are subject to the maximums listed in the Schedule. Mail Order Benefits area available only if elected on the Policyholder’s application and only if Our Approved Mail Service Participating Pharmacy is used.]

**[Optional Covered Benefits:**

[Covered Charges include the following:]

[*Diabetic Products* – Over-the-counter [Diabetic supplies – alcohol swabs, lancets, lancet devices, test strips and tablets (urine, blood glucose, ketone)], [Insulin and insulin syringes].]

[*Family Planning Products* [Diaphragms (one per Insured Person per Benefit Period).] [Oral contraceptives.] [[Erectile dysfunction Legend drugs] [Viagra, limited to four (4) tablets per Insured Person, per month.)] [Infertility Legend Drugs.]]

[[*Self-administered*] *Injectables* [Epi-Pen, Epi-Pen Jr., Ana-Kit, Ana Guard.] [Glucagon-auto injection.] [Imitrex-auto injection (18-25 mg., 9-50 mg., 2 kit/mo.)]]

[*Smoking Deterrents* [Legend smoking deterrents.]]

[*Nutritional Products* [Pediatric Legend Vitamins.] [Prenatal Legend Vitamins.] [Prescription versions of Vitamins A, D, K, B12, Folic Acid and Niacin – used in treatment versus as a dietary supplement.] [All other Legend Vitamins and Nutritional supplements.]]

[*Other Legend Drugs* [Acne products (Retin-A only up to 24<sup>th</sup> birthday.) [Compounds, one ingredient must be Legend.] [Cough and Cold.] [Immunosuppressants.] [DESI Class 5 or 6.]]

[Vacation and replacement of lost, stolen, spilled, broken or dropped Prescription Drugs are covered.]

**SECTION 4 - EXCLUSIONS AND LIMITATIONS**

Benefits are not payable for the following items:

- [1. Prescription Drugs or medications prescribed prior to the Effective Date or after coverage termination date.]
- [2. All over-the-counter products and medications [unless specified in Section 3 – Benefits].]

- [3. *[Diabetic Products - Over-the-counter [Diabetic supplies – alcohol swabs, lancets, lancets devices, test strips and tablets (urine, blood glucose, ketone)], [Insulin and insulin syringes].]* [unless specified in Section 3 - Benefits]]
- [4. *[Family Planning [Diaphragms (one per Insured Person per Benefit Period).] [Oral contraceptives.] [[Erectile dysfunction Legend drugs] [Viagra, limited to four (4) tablets per Insured Person, per month.)] [Infertility Legend Drugs.]]* [unless specified in Section 3 - Benefits]]
- [5. *[[Self-administered] Injectables [Epi-Pen, Epi-Pen Jr., Ana-Kit, Ana Guard.] [Glucagon-auto injection.] [Imitrex-auto injection (18-25 mg., 9-50 mg., 2 kit/mo.)]]* [unless specified in Section 3 - Benefits]]
- [6. *[Smoking Deterrents [Legend smoking deterrents.]]* [unless specified in Section 3 - Benefits]]
- [7. *[Nutritional Products [Pediatric Legend Vitamins.] [Prenatal Legend Vitamins.] [Prescription versions of Vitamins A, D, K, B12, Folic Acid and Niacin – used in treatment versus as a dietary supplement.] [All other Legend Vitamins and Nutritional supplements.]]* [unless specified in Section 3 - Benefits]]
- [8. *[Other Legend Drugs [Acne products (Retin-A only up to 24<sup>th</sup> birthday.) [Compounds, one ingredient must be Legend.] [Cough and Cold.] [Immunosuppressants.] [DESI Class 5 or 6.]]* [unless specified in Section 3 - Benefits]]
- [9. [Vacation and replacement of lost, stolen, spilled, broken or dropped Prescription Drugs] [unless specified in Section 3 - Benefits]]
- [10. Depo-Provera; levonorgestral; condoms, contraceptive sponges, and spermicides; sexual dysfunction drugs.]
- [11. Biologicals (including allergy tests); blood products; growth hormones; hemophiliac factors; MS injectables; immunizations; all other injectables unless specified in Section 3 - Benefits.]
- [12. Aerochamber, Aerochamber with Mask; Peak Flow Meter; all other medical supplies and durable medical equipment unless shown under the definition of Prescription Drug.]
- [13. Liquid nutritional supplements; (pediatric Legend Drug vitamins; prenatal Legend Drug vitamins; prescribed versions of Vitamins A, D, K, B12, Folic Acid and Niacin - used in treatment versus as a dietary supplement; all other Legend Drug vitamins and nutritional supplements.)]
- [14. Anorexiant; Any cosmetic drugs including, but not limited to, Renova, skin pigmentation preps; Any drugs or products used for the treatment of baldness or weight control; Topical dental fluorides.]
- [15. Refills in excess of that specified by the prescribing Physician; or refills dispensed after one year from the original date of the prescription.]
- [16. All newly marketed pharmaceuticals or currently marketed pharmaceuticals with a new FDA approved indication for a period of one year from such FDA approval for its intended indication.]

- [17.Any drug labeled “Caution - limited by Federal Law for Investigational Use” or experimental drugs.]
- [18.Any drug which the Food and Drug Administration has determined to be contraindicated for the specific treatment.]
- [19.Drugs needed due to conditions caused, directly or indirectly, by an Insured Person taking part in a riot or other civil disorder; or the Insured Person taking part in the commission of a felony.]
- [20.Drugs needed due to conditions caused, directly or indirectly, by declared or undeclared war or an act of war; or drugs dispensed to an Insured Person while on active duty in any armed force.]
- [21.Any expenses related to the administration of any drug.]
- [22.Needles or syringes [unless specified in Section 3 – Benefits].]
- [23.Drugs or medicines taken while in or administered by a hospital or any other health care facility or office.]
- [24.Drugs covered under Worker’s Compensation, Medicare, Medicaid or other Governmental program.]
- [25.Drugs, medicines or products which are not Medically Necessary.]
- [26. Charges over a Usual, Customary or Reasonable amount for Prescription Drugs obtained at a Non-Participating Pharmacy or at a Participating Retail Pharmacy when a Prescription Drug card is not used.]
- [27.Anabolic steroids used for the purpose of body building.]
- [28.Drugs for the treatment of Attention Deficit Hyperactivity Disorder(s) (ADHD) except methylphenidate (Ritalin) and those drugs approved by the United State Food and Drug Administration specifically for the treatment of ADHD.]
- [29.Drugs used to treat alcohol abuse.]
- [30.Growth hormones.]
- [31.Refills in excess of the number specified.]
- [32.Allergens.]
- [33.Prescription drugs provided as Maintenance Prescription Drugs[, after the 2nd refill], when dispensed at a retail pharmacy.]
- [34.Prescription drugs obtained from a mail service or internet pharmacy other than Our Approved Mail Service Participating Pharmacy.]
- [35.Medications prescribed for greater than a [30-44] day supply or a 90 day supply, if Maintenance Drugs, by Mail Order.]

[36.Injectibles administered by someone other than the Insured Person for whom the claim is made.]

**Limitations**

[If a Brand Name Prescription Drug is dispensed solely upon the Insured Person’s request in lieu of an available Generic Prescription Drug, then, in addition to any [Copayment] [and] [or] [Deductible] amount, the Insured Person will be responsible for the cost of such Prescription Drug which exceeds the cost of its Generic alternative.]

**[Dispensing Limits and Authorized Refills**

Limits -Retail: [30-44] day supply.

Mail: 90 day supply of a maintenance drug or a 30 day supply of any other Prescription Drug.]

**SECTION 5 - PREMIUMS**

All premiums are payable on or before the date they are due. The first premium is due on Your Effective Date. Each premium thereafter is due on the first day following the period for which the preceding premium was paid. The initial premium rates will remain in effect for the first [6-12] months after the Policy Effective Date.

**Premium Changes** After the initial period following the Policy Effective Date,, the premium rates may be changed by Us. If the rates are changed, We will give at least [30-60] days advance written notice to the Policyholder.

If a change in benefits elected by the Policyholder increases Our liability, premium rates may be changed on the date the liability is increased.

**Grace Period** The Policy has a 31 day Grace Period for the payment of each premium date after the first premium. During the Grace Period, the Policy will remain in force. If the Employer fails to pay the premium during the Grace Period, the Policy will automatically end at the end of the period for which the last premium payment has been paid. The Employer will be required to pay the premium during the Grace Period for the Policy and coverage of the Insured Persons under the Policy to continue in force.

**SECTION 6 – TERMINATION OF INSURANCE**

The coverage on an Employee [and Retiree] will end automatically on the earliest of the following dates:

1. The last day of the month in which the Employee [or Retiree] ceases to be eligible for coverage;
2. Subject to the Grace Period provision, the last day of the month for which the required premium has been paid;
3. The date the Employee [or Retiree] enters the armed forces of any country; or
4. The date the Policy is terminated or discontinued.

The coverage of any Dependent will end automatically on the earliest of the following dates:

1. The last day of the month in which the Dependent ceases to be an eligible Dependent;
2. Subject to the Grace Period provision, the last day of the month for which the required premium has been paid;
3. The date the Employee’s [or Retiree’s] coverage terminates;
4. The date the Dependent enters the armed forces of any country; or

5. The date the Policy is terminated or discontinued.

### **[EXTENSION OF BENEFITS]**

If the Policy terminates and an Insured Person is Totally Disabled, the Insured Person's coverage will continue for a period of 90 days.

This extension will end when the first of these events takes place:

1. the Insured Person is no longer Totally Disabled due to the same injury or sickness; or
2. the applicable period stated above expired.

For purposes of this provision, "Totally Disabled" means:

1. for an Employee – an injury or sickness which prevents him from performing all the main duties of his normal occupation for wage or profit; or
2. for a Dependent – an injury or sickness which prevents the performance of all normal activities of a person of the same age and sex.]

### **SECTION 7 - [COORDINATION OF BENEFITS]**

If any individual covered under the Policy (referred to as "this Plan") is also covered under one or more other Plans, the benefits payable under this Plan will be coordinated with the benefits payable under all other Plans.

This coordination will apply in determining the benefits payable for any Claim Period if the sum of:

1. the benefits that would be payable under this Plan in the absence of coordination; and
2. the benefits that would be payable under all other Plans in the absence of provisions for coordination in those Plans would exceed those Covered Expenses.

Except as provided in the following paragraph, when Coordination of Benefits applies to the benefits payable to an individual for any Claim Period, the benefits that would be payable for Covered Expenses under this Plan in the absence of Coordination of Benefits will be reduced to the extent necessary so that the sum of those reduced benefits and all the benefits payable for those Covered Expenses under all other Plans will not exceed the total of those Covered Expenses. Benefits payable under all other Plans include the benefits that would have been payable had claim been properly made for them.

The rules establishing the order of benefit determination are:

1. the benefits of a Plan which covers the individual for whom claim is made other than as a Dependent will be determined before the benefits of a Plan which covers that individual as a Dependent.
2. Except as stated in paragraph 3 below, when this Plan and another Plan cover the same child as a Dependent of different persons, called "parents":
  - a) the benefits of the Plan of the parent whose birthday falls earlier in a year are determined before those of the Plan of the parent whose birthday falls later that year; but

- b) if both parents have the same birthday, the benefits of the Plan which covered the parent longer are determined before those of the Plan which covered the other parent for a shorter period of time. However, if the other Plan does not have the rule described in (a) immediately above, but instead uses a different method, and if, as a result, the Plans do not agree on the order of benefits, the rule in the other Plan will determine the order of benefits.
3. If two or more Plans cover a person as a Dependent child of divorced or separated parents, benefits for the child are determined in this order:
  - a) First, the Plan of the parent with custody of the child;
  - b) Then, the Plan of the spouse of the parent with custody of the child; and
  - c) Finally, the Plan of the parent not having custody of the child. However, if the specific terms of a court decree state that one of the parents is responsible for the health care expenses of the child, and the entity obligated to pay or provide the benefits of that Plan of that parent has actual knowledge of those terms, the benefits of that Plan are determined first. This paragraph does not apply with respect to any Claim Period or Plan year during which any benefits are actually paid or provided before the entity has that actual knowledge.
4. The benefits of a Plan which covers a person as an employee who is neither laid-off nor retired (or as that employee's Dependent) are determined before those of a Plan which covers that person as a laid-off or retired employee (or as that employee's Dependent). If the other Plan does not have this rule, and if, as a result, the Plans do not agree on the order of benefits, this rule (4) is ignored.
5. If none of the above rules determines the order of benefits, the benefits of a Plan which has covered the individual for whom claim is made for the longer period of time will be determined before the benefits of a Plan which has covered the individual the shorter period of time.

If We are responsible for secondary coverage for Covered Expenses, We will not deny coverage or payment of the amount We owe as secondary payor solely on the basis of the failure of another group contract, which is responsible for primary coverage, to pay for those Covered Expenses. This will not require Us to pay the obligations of the primary payor.

For the purpose of administering the above provisions of this Plan or any similar provision of other Plans, We may, without consent or notice to any individual, release to or obtain from any other insurance company, organization or individual any information concerning any individual which We consider necessary. Any individual claiming benefits under this Plan will furnish Us with any information necessary.

Whenever payment which should have been made under this Plan in accordance with the above provisions have been made under any other Plans, We will have the right, at Our sole discretion, to pay any organizations making these payments any amount We determine to be due. Amount paid in this matter will be considered to be benefits paid under this Plan and, to the extent of these payments, We will be fully discharged from liability under this Plan.

Whenever payments have been made by Us, for Covered Expenses in a total amount in excess of the maximum amount of payment necessary to satisfy the intent of the above provisions, We will have the right to recover the excess from one or more of the following: (1) other insurance companies; (2) other organizations; (3) individuals to or from whom payments were made.

**BENEFITS SUBJECT TO COORDINATION.** All benefits provided under the Policy are subject to coordination.

**DEFINITIONS.** The following definitions apply only to this Coordination of Benefits section:

1. The term "Plan" means coverage providing hospital, medical or outpatient prescription drug benefits or services by:
  - a) group or blanket insurance coverage, except school accident coverage;
  - b) group practice or other prepayment coverage on a group basis; or
  - c) any coverage under labor-management trustees Plan, union welfare Plan, employer organization, or employee benefit Plans.

The term "Plan" will be construed separately for a policy, contract or other arrangement for benefits or services that reserves the right to take the benefits or services of other Plans into consideration in determining its benefits, or separately for that portion which does not reserve the right.

2. The term "Covered Expense" means any usual, reasonable and customary item of expense all or part of which is covered under one of the Plans.

When a Plan provides benefits in the forms of services rather than cash payments, the reasonable cash value of each service rendered will be considered to be both a Covered Expense and a benefit paid.

3. The term "Claim Period" means a calendar year or a portion of a calendar year for a claim on an individual covered under this Plan.]

## **SECTION 8 – CLAIM PROVISIONS**

**NOTICE OF CLAIM:** Written notice of claim must be given to Us within 30 days after the occurrence or commencement of any loss covered by the Policy, or as soon after that as is reasonably possible. Notice given by or for the Insured Person to Us at Our Home Office or to any of Our authorized agents with sufficient information to identify the Insured Person, will be deemed as notice to Us.

**CLAIM FORMS:** We will furnish claim forms to the Insured Person within 15 days after notice of claim is received. If We do not send the forms within that time, the Insured Person can send written proof of the occurrence, character, and extent of loss for which the claim is made, within the time stated in the Proof of Loss provision.

**PROOF OF LOSS:** Written proof of loss must be furnished to Us at Our Home Office within 90 days after the date of the loss. Failure to furnish proof within the time required will not invalidate or reduce any claim if it was not reasonably possible to give proof within that time, if the proof is furnished as soon as reasonably possible. In no event, except in the absence of legal capacity, will proof of loss be accepted later than one year from the time proof is required.

**TIME OF PAYMENT OF CLAIMS:** Any benefit payable under the Policy will be paid immediately, but not more than 30 days after receipt of due written proof of loss.

**PAYMENT OF CLAIMS:** All benefits will be payable either to the Participating Retail Pharmacy, or Our Approved Mail Service Participating Pharmacy or if a Non-Participating Pharmacy is used, benefits will be paid to the Employee [or Retiree] unless We receive an assignment of benefits to the Non-

Network Pharmacy prior to payment. Any benefits payable on or after the Employee's [or Retiree's] death will be paid to the estate, unless previously assigned.

If any benefit is payable to an estate or to a minor or person not otherwise competent to give a valid release, We may pay such benefit, up to an amount not exceeding \$500, to any relative by blood or marriage, who is deemed by Us to be entitled to the benefit. Any payment made by Us in good faith under this provision will fully discharge Us to the extent of payment.

## **SECTION 9 – GENERAL PROVISIONS**

**CERTIFICATES:** Certificates will be provided to each Employee [and Retiree]. They will describe the coverage provided, to whom benefits are paid; any limitations of the Policy; and all other essential provisions of the Policy that apply to Insured Persons. The Certificate is not a part of the Policy. Any conflict between the terms of the Certificate and the Policy will be decided in favor of the Policy. A copy of the Policy may be examined in the office of the Policyholder.

**CLERICAL ERROR:** Clerical errors or delays in keeping records for the Policy will not deny insurance that would otherwise have been granted, nor extend insurance that otherwise would have ceased. As soon as the error is found, a fair adjustment of premium and benefits will be made.

**CONFORMITY TO LAW:** Any provision of the Policy that, on the date of issue, is in conflict with the laws of the state in which it is issued is amended to conform with the minimum standards of the laws of that state as of the date of issue.

**ENTIRE CONTRACT:** The Policy, including any endorsements and riders, the Policyholder's application and the Employee's [and Retiree's] individual applications, if any, are the entire contract between the parties. All statements made by the Policyholder or an Employee [or Retiree] Insured will, in the absence of fraud, be deemed representations and not warranties and no such statement shall be used in defense to a claim hereunder unless it is contained in a written instrument signed by the Policyholder or the Employee [or Retiree], a copy of which has been furnished to the Policyholder, the Employee [or Retiree], or the Employee's [or Retiree's] Beneficiary.

**AMENDMENT AND CHANGES:** No agent is authorized to alter or amend the Policy, or to waive any conditions or restrictions herein, or to extend the time for paying a premium. The Policy and the Certificate may be amended at any time by mutual agreement between the Policyholder and Us without the consent of the Employee [or Retiree], but without prejudice to any loss incurred prior to the Effective Date of the amendment. No person except Our Officer has authority on Our behalf to modify the Policy or to waive or lapse any of Our rights or requirements.

**INCONTESTABILITY:** After the Policy has been in force for two years, it can only be contested for non-payment of premiums. No statement made by an Insured Person can be used in a contest after his insurance has been in force for two years during his lifetime. No statement an Insured Person makes can be used in a contest unless it is in writing and signed by him.

**LEGAL ACTIONS:** No Insured Person can bring an action at law or in equity to recover on the Policy until more than 60 days after the date written proof of loss has been furnished according to the Policy. No such action will be brought after the applicable statute of limitations from the expiration of time within which such proof of loss is required by the Policy.

**MISSTATEMENT OF AGE:** If the age of an Insured Person has been misstated, We will make an equitable adjustment of premiums or benefits or both. We will change the benefit to the applicable amount available for the correct age. We will refund to the Insured any excess premium paid over the amount due for the correct benefit amount. We will request payment for any overdue premium for the correct benefit amount. If the misstatement is discovered after a benefit is due and payable, We will reduce or increase the benefit amount payable by the amount of excess or overdue premium due to the misstatement. If an Insured Person is not eligible for coverage because of age, We will refund all premiums paid on and after the date the Insured Person was no longer eligible.

**WORKER'S COMPENSATION:** The Policy is not a Worker's Compensation Policy. It does not satisfy any requirement for coverage by Worker's Compensation Insurance.

**MASCULINE GENDER:** Whenever the masculine gender is used in the Policy, it shall also refer to the feminine gender.

### [CONTINUATION OF COVERAGE]

If coverage under the Policy ends, an Insured Person may be eligible for continuation of coverage under federal law. Continuation of coverage in any event shall be subject to payment of the required premium.

#### **Family and Medical Leave Act of 1993 (FMLA) – Continuation of Benefits** (Applies to Employers with 50 or more Employees)

Employees who have been employed by the Policyholder for at least 12 months and who have performed at least 1,250 hours of work during that period are entitled to 12 work weeks of leave during any 12 month period for one or more of the following reasons:

1. the birth of a child to the Employee;
2. the placement of a child with the Employee for adoption or foster care;
3. to care for the spouse, child or parent of the Employee if such person has a serious health condition; or
4. a serious health condition makes the Employee unable to perform the main functions of his or her employment.

An Employee on FMLA leave may continue benefits for the duration of that leave under the same conditions as applied prior to the leave. The terms of the FMLA supersede state family medical leave laws for employers of 50 or more employees insofar as the FMLA provides greater family or medical leave rights than those established by the state law.

#### **Uniformed Services Employment and Reemployment Rights Act of 1993 (USERRA)**

An Employee who is absent from work due to a period of duty in the uniformed services may have the right to continue benefits for himself and his Dependents in accordance with USERRA provisions. The Employee must pay the required monthly premium for the continued coverage to the Employer.

#### **COBRA**

#### **Continuation of Benefits in Accordance with the Consolidated Omnibus Budget Reconciliation Act of 1985**

(Applies to Employers with 20 or more Employers)

### **Applicability**

Federal law requires that Employers of 20 or more Employees for at least 50% of the preceding year, offer a temporary extension of health coverage to Qualified Beneficiaries when coverage would otherwise end because of the occurrence of one or more of Qualifying Events listed below. Under COBRA, a Qualified Beneficiary is any individual who, on the day before a Qualifying Event, is covered under the Policy and is not already covered under the Policy by reason of another individual's election of COBRA.

### **Qualifying Event**

For purposes of coverage under COBRA, the term "Qualifying Event" means, with respect to any Employee, any of the following events which, but for the continuation coverage required under this part, would result in the loss of coverage for a Qualified Beneficiary.

### **Qualifying Events**

### **Duration of Continued Coverage**

1. death of an Employee	36 months
2. termination of employment for any reason except gross misconduct, or the reduction in hours that would result in loss of coverage.	18 months*
3. divorce or legal separation	36 months
4. Employee becomes eligible for Medicare	Dependents and spouse allowed 36 months
5. Employee Dependent no longer meets Employee Dependent eligibility requirements	36 months

\* Coverage may be continued an additional 11 months if the Qualified Beneficiary:

1. is determined disabled for Social Security purposes at the time of the Qualifying Event or within 60 days after continuation coverage begins; and
2. notifies the plan administrator within 60 days from determination (but before the 18 month continuation period ends).

Beneficiaries may be covered by more than one Qualifying Event. However, in no event may the total continuation period exceed 36 months for all Qualifying Events.

### **Notice and Election**

Employee Persons are responsible for notifying the Employer in the case of a divorce, legal separation, cessation or dependency or determination of disability by the Social Security Administration. The Employer must notify the plan administrator of the Qualifying Event. The Employer must notify the Qualified Beneficiaries of their COBRA election rights. The period during which the Qualified Beneficiary must elect or decline continuation of coverage under COBRA ends not earlier than 60 days after the later of (a) the date on which coverage terminates under the Policy by reason of a Qualifying Event, or (b) the date the Qualified Beneficiary receives notice of their COBRA election rights from the plan administrator.

### **Premium Payment**

The Qualified Beneficiary must pay to the Employer the required monthly premium. And Grace Period applying to the Employer will also apply to the Qualified Beneficiary, except the first premium payment. Payment of premium for coverage under the period preceding the election must be made within 45 days of the date of election.

**COBRA Termination** occurs at the earlier of:

1. the premium for continued coverage is not paid within 31 days from being due;
2. the Qualified Beneficiary becomes covered under another group medical plan, if that plan does not contain any exclusion or limitation on any Pre-existing Conditions of the Qualified Beneficiary;
3. the Qualified Beneficiary becomes eligible for Medicare;
4. the Qualified Beneficiary, who is divorced from an Employee, remarries and is covered under the new spouse's medical plan; or
5. the Employer no longer provides medical benefits of any kind.