

SERFF Tracking Number: SNLF-126669841 State: Arkansas
Filing Company: Sun Life Assurance Company of Canada State Tracking Number: 46471
Company Tracking Number: SL SPECIFIC MAXIMUM
TOI: H12 Health - Excess/Stop Loss Sub-TOI: H12.004 Self-Funded Health Plan
Product Name: Group Stop Loss
Project Name/Number: SL Specific Maximum/

Filing at a Glance

Company: Sun Life Assurance Company of Canada

Product Name: Group Stop Loss

SERFF Tr Num: SNLF-126669841 State: Arkansas

TOI: H12 Health - Excess/Stop Loss

SERFF Status: Closed-Approved-Closed
State Tr Num: 46471

Sub-TOI: H12.004 Self-Funded Health Plan

Co Tr Num: SL SPECIFIC
State Status: Approved-Closed
MAXIMUM

Filing Type: Form

Reviewer(s): Rosalind Minor

Authors: James Crowley, Sandra Silcott, Marion Pagluica, Lori Chilcote, Pauline Michaud, Ellen Thibodeau, Linda Murphy, Frank Jancura

Disposition Date: 08/13/2010

Date Submitted: 08/11/2010

Disposition Status: Approved-Closed

Implementation Date Requested:

Implementation Date:

State Filing Description:

General Information

Project Name: SL Specific Maximum

Status of Filing in Domicile: Authorized

Project Number:

Date Approved in Domicile: 08/10/2010

Requested Filing Mode: Review & Approval

Domicile Status Comments:

Explanation for Combination/Other:

Market Type: Group

Submission Type: New Submission

Group Market Size: Small and Large

Overall Rate Impact:

Group Market Type: Employer

Filing Status Changed: 08/13/2010

Explanation for Other Group Market Type:

State Status Changed: 08/13/2010

Deemer Date:

Created By: Lori Chilcote

Submitted By: Lori Chilcote

Corresponding Filing Tracking Number:

Filing Description:

RE: Sun Life Assurance Company of Canada

NAIC #80802 FEIN 38-1082080

SERFF Tracking Number: SNLF-126669841 State: Arkansas
Filing Company: Sun Life Assurance Company of Canada State Tracking Number: 46471
Company Tracking Number: SL SPECIFIC MAXIMUM
TOI: H12 Health - Excess/Stop Loss Sub-TOI: H12.004 Self-Funded Health Plan
Product Name: Group Stop Loss
Project Name/Number: SL Specific Maximum/

Stop Loss Policy Forms:

Form Number Replaces

07-SL-SCH-SPEC rev 6-10 07-SL-SCH-SPEC

07-SL-BEN-SPEC rev 6-10 07-SL-BEN-SPEC

07-SL-GP rev 6-10 07-SL-GP rev.

Stop Loss Application Form XGR/2989 (AR) New Form

Dear Commissioner:

The above referenced Group Stop Loss Policy forms are being submitted for your review and approval. Application form XGR/2989 is a new form and does not replace any previously approved forms. The remaining forms replace previously approved forms as indicated above. Due to the passage of the Affordable Care Act, Policyholders who have a stop loss policy will no longer be able to include a Specific Benefit Lifetime Maximum in their self-funded medical plan. These forms allow for the option to remove the Specific Benefit Lifetime Maximum and add an option that is compliant with the Affordable Care Act. These options are being added so that the stop loss policy may mirror the policyholder's self-funded medical plan. This filing also expands our previously filed variability for the Specific Benefit Deductible amount to accommodate self-funded plans who, before the introduction of the Affordable Care Act did not need stop loss coverage.

These forms will be used with our approved Group Stop Loss Policy Form series 07-SL et al. These forms will not be mass marketed or solicited by mail. The forms will be marketed on a general basis by our group sales representatives, and will be marketed to employer groups, union groups and other types of groups allowed by the laws of your state.

The minimum specific attachment point will meet any applicable state minimum requirements, and the minimum aggregate attachment point will meet any applicable state minimum requirements. The [bracketed] material is intended to be illustrative and variable to accommodate the requirements of individual policyholders. Please refer to the attached Statement of Variability for the parameters within which bracketed material may vary.

We also wish to extend the variability of previously approved forms in order to be able to provide a product that contains Aggregate coverage only for Prescription Drugs. We have included previously approved forms on the SERFF supporting documentation tab. We have also included the previously approved forms on the Statement of Variability and redlined the changes in the Statement of Variability. Enclosed is an actuarial certification indicating that there are no changes to rates on file with your Department.

SERFF Tracking Number: SNLF-126669841 State: Arkansas
 Filing Company: Sun Life Assurance Company of Canada State Tracking Number: 46471
 Company Tracking Number: SL SPECIFIC MAXIMUM
 TOI: H12 Health - Excess/Stop Loss Sub-TOI: H12.004 Self-Funded Health Plan
 Product Name: Group Stop Loss
 Project Name/Number: SL Specific Maximum/

Attached to this filing are any applicable state required fees, transmittal forms and certifications.

We request the Department's approval of the enclosed forms. If you have any questions or comments regarding this submission, please contact me at: 860-737-1310, or email me at: james.crowley@sunlife.com.

James Crowley
 Compliance Consultant
 State Filing

Company and Contact

Filing Contact Information

James Crowley, Compliance Consultant James.Crowley@sunlife.com
 175 Addison Road 800-451-2513 [Phone] 1310 [Ext]
 P.O. Box 725 860-737-6598 [FAX]
 Windsor, CT 06095-0725

Filing Company Information

Sun Life Assurance Company of Canada CoCode: 80802 State of Domicile: Michigan
 175 Addison Road Group Code: 549 Company Type:
 Windsor, CT 06095 Group Name: State ID Number:
 (860) 737-1000 ext. [Phone] FEIN Number: 38-1082080

Filing Fees

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

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Sun Life Assurance Company of Canada	\$0.00	08/11/2010	
Sun Life Assurance Company of Canada	\$150.00	08/13/2010	38761506
Sun Life Assurance Company of Canada	\$50.00	08/13/2010	38763856

SERFF Tracking Number: SNLF-126669841 State: Arkansas
 Filing Company: Sun Life Assurance Company of Canada State Tracking Number: 46471
 Company Tracking Number: SL SPECIFIC MAXIMUM
 TOI: H12 Health - Excess/Stop Loss Sub-TOI: H12.004 Self-Funded Health Plan
 Product Name: Group Stop Loss
 Project Name/Number: SL Specific Maximum/

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved-Closed	Rosalind Minor	08/13/2010	08/13/2010

Objection Letters and Response Letters

Objection Letters				Response Letters		
Status	Created By	Created On	Date Submitted	Responded By	Created On	Date Submitted
Pending Industry Response	Rosalind Minor	08/13/2010	08/13/2010	Lori Chilcote	08/13/2010	08/13/2010

Filing Notes

Subject	Note Type	Created By	Created On	Date Submitted
\$50 fee	Note To Reviewer	Lori Chilcote	08/13/2010	08/13/2010
Additional filing fee	Note To Filer	Rosalind Minor	08/13/2010	08/13/2010

SERFF Tracking Number: SNLF-126669841 *State:* Arkansas
Filing Company: Sun Life Assurance Company of Canada *State Tracking Number:* 46471
Company Tracking Number: SL SPECIFIC MAXIMUM
TOI: H12 Health - Excess/Stop Loss *Sub-TOI:* H12.004 Self-Funded Health Plan
Product Name: Group Stop Loss
Project Name/Number: SL Specific Maximum/

Disposition

Disposition Date: 08/13/2010

Implementation Date:

Status: Approved-Closed

Comment:

Rate data does NOT apply to filing.

SERFF Tracking Number: SNLF-126669841 *State:* Arkansas
Filing Company: Sun Life Assurance Company of Canada *State Tracking Number:* 46471
Company Tracking Number: SL SPECIFIC MAXIMUM
TOI: H12 Health - Excess/Stop Loss *Sub-TOI:* H12.004 Self-Funded Health Plan
Product Name: Group Stop Loss
Project Name/Number: SL Specific Maximum/

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Application	Approved-Closed	Yes
Supporting Document	Flesch Certification	Approved-Closed	Yes
Supporting Document	Actuarial Cert	Approved-Closed	Yes
Supporting Document	Statement of Variability	Approved-Closed	Yes
Supporting Document	Previously approved forms	Approved-Closed	Yes
Form	Stop Loss Policy Form	Approved-Closed	Yes
Form	Stop Loss Policy Form	Approved-Closed	Yes
Form	Stop Loss Policy Form	Approved-Closed	Yes
Form	Stop Loss Application Form	Approved-Closed	Yes

SERFF Tracking Number: SNLF-126669841 State: Arkansas
Filing Company: Sun Life Assurance Company of Canada State Tracking Number: 46471
Company Tracking Number: SL SPECIFIC MAXIMUM
TOI: H12 Health - Excess/Stop Loss Sub-TOI: H12.004 Self-Funded Health Plan
Product Name: Group Stop Loss
Project Name/Number: SL Specific Maximum/

Objection Letter

Objection Letter Status Pending Industry Response

Objection Letter Date 08/13/2010

Submitted Date 08/13/2010

Respond By Date

Dear James Crowley,

This will acknowledge receipt of the captioned filing.

Objection 1

- Stop Loss Policy Form, 07-SL-SCH-SPEC rev 6-10 (Form)
- Stop Loss Policy Form, 07-SL-BEN-SPEC rev 6-10 (Form)
- Stop Loss Policy Form, 07-SL-GP rev 6-10 (Form)
- Stop Loss Application Form, XGR/2989 (AR) (Form)

Comment:

Our filing fees under Rule and Regulation 57 has been updated. Please review the General Instructions for ArkansasLH or Rule and Regulation 57.

The fee for this submission is \$50.00 per form for a total of \$200.00. Please submit an additional \$150.00 for this submission.

We will begin our review of this submission upon receipt of the additional filing fee.

Please feel free to contact me if you have questions.

Sincerely,

Rosalind Minor

SERFF Tracking Number: SNLF-126669841 State: Arkansas
Filing Company: Sun Life Assurance Company of Canada State Tracking Number: 46471
Company Tracking Number: SL SPECIFIC MAXIMUM
TOI: H12 Health - Excess/Stop Loss Sub-TOI: H12.004 Self-Funded Health Plan
Product Name: Group Stop Loss
Project Name/Number: SL Specific Maximum/

Response Letter

Response Letter Status Submitted to State
Response Letter Date 08/13/2010
Submitted Date 08/13/2010

Dear Rosalind Minor,

Comments:

Response 1

Comments: The additional filing fee of \$150.00 has been submitted.
My apologies for the oversight.

Related Objection 1

Applies To:

- Stop Loss Policy Form, 07-SL-SCH-SPEC rev 6-10 (Form)
- Stop Loss Policy Form, 07-SL-BEN-SPEC rev 6-10 (Form)
- Stop Loss Policy Form, 07-SL-GP rev 6-10 (Form)
- Stop Loss Application Form, XGR/2989 (AR) (Form)

Comment:

Our filing fees under Rule and Regulation 57 has been updated. Please review the General Instructions for ArkansasLH or Rule and Regulation 57.

The fee for this submission is \$50.00 per form for a total of \$200.00. Please submit an additional \$150.00 for this submission.

We will begin our review of this submission upon receipt of the additional filing fee.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

SERFF Tracking Number: SNLF-126669841 *State:* Arkansas
Filing Company: Sun Life Assurance Company of Canada *State Tracking Number:* 46471
Company Tracking Number: SL SPECIFIC MAXIMUM
TOI: H12 Health - Excess/Stop Loss *Sub-TOI:* H12.004 Self-Funded Health Plan
Product Name: Group Stop Loss
Project Name/Number: SL Specific Maximum/

No Rate/Rule Schedule items changed.

Sincerely,

Ellen Thibodeau, Frank Jancura, James Crowley, Linda Murphy, Lori Chilcote, Marion Pagluica, Pauline Michaud,
Sandra Silcott

SERFF Tracking Number: SNLF-126669841 *State:* Arkansas
Filing Company: Sun Life Assurance Company of Canada *State Tracking Number:* 46471
Company Tracking Number: SL SPECIFIC MAXIMUM
TOI: H12 Health - Excess/Stop Loss *Sub-TOI:* H12.004 Self-Funded Health Plan
Product Name: Group Stop Loss
Project Name/Number: SL Specific Maximum/

Note To Reviewer

Created By:

Lori Chilcote on 08/13/2010 10:40 AM

Last Edited By:

Rosalind Minor

Submitted On:

08/13/2010 12:06 PM

Subject:

\$50 fee

Comments:

I've submitted the "original" \$50.. I'm not quite sure what happened there, but at least you can see that I intended to submit!

My apologies again...

SERFF Tracking Number: SNLF-126669841 *State:* Arkansas
Filing Company: Sun Life Assurance Company of Canada *State Tracking Number:* 46471
Company Tracking Number: SL SPECIFIC MAXIMUM
TOI: H12 Health - Excess/Stop Loss *Sub-TOI:* H12.004 Self-Funded Health Plan
Product Name: Group Stop Loss
Project Name/Number: SL Specific Maximum/

Note To Filer

Created By:

Rosalind Minor on 08/13/2010 10:11 AM

Last Edited By:

Rosalind Minor

Submitted On:

08/13/2010 12:06 PM

Subject:

Additional filing fee

Comments:

Thank you for the additional filing fee of \$150.00. I noticed on the Fee tab that it appears that you should have submitted \$50.00 at the time you submitted the filing. Is that fee being mailed to our Department? If not, we do need an additional \$50.00 for a total of \$200.00.

Thank you.

SERFF Tracking Number: SNLF-126669841 State: Arkansas
 Filing Company: Sun Life Assurance Company of Canada State Tracking Number: 46471
 Company Tracking Number: SL SPECIFIC MAXIMUM
 TOI: H12 Health - Excess/Stop Loss Sub-TOI: H12.004 Self-Funded Health Plan
 Product Name: Group Stop Loss
 Project Name/Number: SL Specific Maximum/

Form Schedule

Lead Form Number:

Schedule Item	Form Number	Form Type	Form Name	Action	Action Specific Data	Readability	Attachment
Approved-Closed 08/13/2010	07-SL-SCH-SPEC rev 6-10	Policy/Cont ract/Fraternal Certificate: Amendmen t, Insert Page, Endorseme nt or Rider	Stop Loss Policy Form	Initial		50.900	07-SL-SCH-SPEC rev 6-10 .pdf
Approved-Closed 08/13/2010	07-SL-BEN-SPEC rev 6-10	Policy/Cont ract/Fraternal Certificate: Amendmen t, Insert Page, Endorseme nt or Rider	Stop Loss Policy Form	Initial		50.900	07-SL-BEN-SPEC rev 6-10.pdf
Approved-Closed 08/13/2010	07-SL-GP rev 6-10	Policy/Cont ract/Fraternal Certificate: Amendmen t, Insert Page, Endorseme nt or Rider	Stop Loss Policy Form	Initial		50.900	07-SL-GP rev 6-10 .pdf
Approved-Closed 08/13/2010	XGR/2989 (AR)	Application/ Enrollment Form	Stop Loss Application Form	Initial		0.000	XGR2989 (AR).pdf

Schedule of Benefits

1[Specific Benefit

Original Specific Benefit Effective Date 2[January 1, 2007]

Benefit Specifications

3[Renewal] Policy Year [January 1, 2007] through [December 31, 2007]

Reimbursement Percentage 4[100%] of Eligible Expenses

5[Related Provider Reimbursement Percentage] [80%] of Eligible Expenses]

Covered Benefits Medical 6[, excluding Prescription Drugs covered under a Prescription Drug Plan]

[Prescription Drug Plan (PDP)]

Specific Benefit Deductible 7[\$100,000]

8[Transplant Deductible] [\$150,000]]

9[Aggregating Specific Deductible] [\$30,000]]

10[Specific Benefit Lifetime Maximum Eligible Expenses] [\$10,000,000]]

16[Specific Benefit Annual Maximum Eligible Expenses] 1,000,000]]

Specific Benefit Claims Basis 11[[12/12] (Incurred and Paid)

Eligible Expenses include only those expenses Incurred and Paid within the Policy Year.]

[[15/12] ([3] Month Run-In)

Eligible Expenses include only those expenses Incurred during the Policy Year, or within [3] months prior to the Policy Year (the “Run-In Period”), and Paid during the Policy Year.]

[[12/15] ([3] Month Run-Out)

Eligible Expenses include only those expenses Incurred during the Policy Year and: (a) Paid during the Policy Year; or (b) Paid within [3] months after the Policy Year (the “Run-Out Period”).]

[Paid (Renewal Policy Year Only)

Eligible Expenses include only those expenses Incurred after [January 1, 2006] and Paid during the Policy Year.]

[Incurred

Eligible Expenses include only those expenses Incurred during the Policy Year.]

[Gapless (Renewal Policy Year Only)

Eligible Expenses for this Policy Year will also include those expenses Incurred on or after the Original Specific Benefit Effective Date and Paid after the Run-Out Period of the immediately preceding Policy Year.]

Schedule of Benefits

1[Specific Benefit

Covered Unit(s)	12[Single employee,] [Employee + 1 dependent,] [Employee +2 dependents,] [Employee + family] [COBRA continuee]
Retirees	13[Not Covered]
Specific Benefit Premium Rate	14[\$8.00] per [Covered Unit] per month 14[\$15.00] per [Covered Unit] per month
Premium Due Date	15The Policy Effective Date and the [first] day of each succeeding month.]

Section II
Benefit Provisions
1[Specific Benefit

Definitions

2[Aggregating Specific Deductible: A deductible, in addition to the Specific Benefit Deductible, applied to the calculation of the Specific Benefit, that must be satisfied before Eligible Expenses are reimbursable under this Policy. The Aggregating Specific Deductible is satisfied by applying any Eligible Expenses that exceed the Specific Benefit Deductible for any Specific Benefit claim. The Aggregating Specific Deductible is shown on the Schedule of Benefits.]

Specific Benefit Deductible: The amount of Eligible Expenses relating to a Covered Person that You must pay before You become eligible for a Specific Benefit.

3[The Specific Benefit Deductible shall apply to a Covered Person who is not a Dependent (the “Employee”) and his or her Dependents as a collective unit and the collective unit shall be treated as a single Covered Person. The Specific Benefit Deductible for the collective unit may be satisfied by applying Eligible Expenses incurred by the members of the collective unit.]

7[Specific Benefit Annual Maximum Eligible Expenses: The Specific Benefit Annual Maximum Eligible Expenses is the maximum amount of Eligible Expenses We will apply towards the Specific Benefit for a Covered Person during a Policy Year. The Specific Benefit Annual Maximum Eligible Expenses amount is shown in the Schedule of Benefits.]

8[Specific Benefit Lifetime Maximum Eligible Expenses: The Specific Benefit Lifetime Maximum Eligible Expenses is the maximum amount of Eligible Expenses We will ever apply towards the Specific Benefit for a Covered Person during his or her lifetime. All Eligible Expenses incurred by a Covered Person during the first Policy Year or any subsequent Renewal Policy Year will apply toward the Specific Benefit Lifetime Maximum Eligible Expenses. The Specific Benefit Lifetime Maximum Eligible Expenses amount is shown in the Schedule of Benefits.]

Specific Benefit

The Specific Benefit for any Covered Person for any Policy Year equals:

1. The total amount of Eligible Expenses for the Covered Person **4[**multiplied by the Related Provider Reimbursement Percentage, if applicable]; minus
2. The Specific Benefit Deductible[.] [; minus
3. The Aggregating Specific Deductible or any remaining portion thereof][.]; minus
4. The Transplant Deductible;]

multiplied by the Reimbursement Percentage shown on the “Schedule of Benefits – Specific Benefit,” if that Reimbursement Percentage is less than 100%.

8[The amount of Eligible Expenses with respect to any Covered Person is subject to the Specific Benefit Lifetime Maximum Eligible Expenses.]

7[The amount of Eligible Expenses with respect to any Covered Person is subject to the Specific Benefit Annual Maximum Eligible Expenses.]

5[Specific Benefit Claims Basis Adjustment

The Run-Out Period will not apply if this Policy terminates prior to the end of the Policy Year.]

Schedule of Benefits
Specific Benefit

6 Terminal Liability

If this Policy terminates at the end of a Policy Year and Your Plan changes from a self-funded plan to a fully insured plan at the end of the Policy Year, the Specific Benefit Claims Basis will be extended to include Eligible Expenses Incurred within the Policy Year [or the Run-In Period] and Paid within [3] months after the Policy Year (the “Run-Out Period”); subject to the following conditions:

1. Eligible Expenses will be considered for reimbursement in accordance with the terms of Your Plan in effect on the day before the Policy termination date; and
2. You must use the TPA that administered your Plan as of the Policy termination date to administer any claims during the Run-Out Period.]

Section VI General Provisions

Assignment

Your interest in this Policy cannot be assigned.

Bankruptcy or Insolvency

The bankruptcy, insolvency, dissolution, receivership or liquidation of You, Your Plan or Your TPA will not impose upon Us any obligations other than those set forth in this Policy.

Clerical Error

In the event of a clerical error in this Policy, the Policy will be revised to correct the error. Your failure to:

1. Report the existence of a Covered Person; or
2. File proof of claim in a timely manner; or
3. Comply with the reporting requirements of this Policy;

shall not constitute clerical error.

Entire Contract

This Policy, along with any Attachments, Riders, Endorsements, Addenda or Amendments, and the Application and Special Risk Questionnaire completed by You constitutes the entire contract of insurance between us.

Legal Action

You may not bring a legal action against Us to recover on this Policy earlier than **6**[sixty (60)] days after You have furnished Us with proof of claim in accordance with the Proof of Claim provisions of this Policy. You may not bring any legal action against Us to recover on this Policy after **7**[three (3)] years from the time proof of claim is required under this Policy.

Misrepresentation

If:

1. You make any misstatement, omission or misrepresentation, whether intentional or unintentional, in the information or documentation You, Your TPA or any other party acting on Your behalf, provide to Us, and which We rely upon during the underwriting of this Policy; or
2. After this Policy is issued, We learn of expenses or claims that were incurred or paid, but not reported to Us, during the underwriting of this Policy,

We have the right, at Our election, to rescind this Policy or to revise the premium rates, deductibles, and terms and conditions of this Policy in accordance with Our underwriting practices in effect at the time the Policy was underwritten. Any such revisions may be made retroactive to the Policy Effective Date.

After two years from the policy issue date, no misstatements except fraudulent misstatements made by You in the application shall be used to void the policy.

No ERISA Liability

Under no circumstance will We accept responsibility as a "Plan Administrator" or be deemed a "plan fiduciary" with respect to your Plan under the Employee Retirement Income Security Act of 1974, as amended.

Non-Participating Policy

This Policy is non-participating and does not share in Our surplus earnings.

Policy Amendment

No change in this Policy, or waiver of any of its provisions, will be valid unless such change or waiver is in writing and agreed to by Us at Our U.S. Headquarters and made a part of this Policy. No agent, broker, TPA, or managing general underwriter has authority to change this Policy or waive any of its provisions.

Section VI General Provisions

Policy Renewal

This Policy may be renewed unless it has been terminated or is subject to termination in accordance with the Termination Provisions of this Policy. Policy changes for any renewal policy will appear on a revised Schedule of Benefits and/or a Policy amendment. Your payment of the renewal premium after receipt of the revised Schedule of Benefits and/or Policy amendment constitutes acceptance of the renewal policy by You.

1[No New Special Conditions Rider at Renewal

We guarantee that if You renew Your Policy with Us, Your renewal stop loss policy will not contain a new or revised Special Conditions Rider, provided that:

1. Your Plan contains no changes that materially affect or alter the risk presented by Your current Policy;
2. Your renewal stop loss policy contains no material changes from Your present Policy; and
3. A new unit, division, subsidiary, affiliated company or class of covered people is not added to this Policy.

We reserve the right to carry over to the renewal stop loss policy any Special Conditions Rider that is part of Your current Policy.

We, in our sole discretion, shall determine whether any of the changes referenced in sections 1 through 3 above are material. If We determine that any change is material, this provision shall be of no force and effect.]

2[Special Conditions Rider at Renewal

If You renew Your Policy with Us, Your renewal stop loss policy may contain a new or revised Special Conditions Rider.]

3[Renewal Rate Increase Cap

If You renew Your Policy with Us, We guarantee that the Specific Benefit Premium Rate **8**[and the Aggregating Specific Deductible] on Your renewal stop loss policy will not be increased more than **9**[50]% over the Specific Benefit Premium Rate **8**[and the Aggregating Specific Deductible] shown on the Schedule of Benefits, provided that:

1. Your Plan contains no changes that materially affect or alter the risk presented by Your current Policy;
2. Your renewal stop loss policy contains no material changes from Your present Policy; including, but not limited to, changes to: a) the length of the Policy Year; (b) Covered Benefits; (c) coverage for Retirees; (d) the Specific Benefit Deductible; (e) the Claims Basis; **11**[(f) the Specific Benefit Lifetime Maximum Eligible Expenses;]**11**[(g) the Specific Benefit Annual Maximum Eligible Expenses;] (h) the Specific Benefit Reimbursement Percentage; (i) the commission payable; (j) Your TPA; or (k) Provider Networks;
3. There are no material changes in the demographic distribution of the group covered by Your current Policy versus the group covered by the renewal stop loss policy; and
4. A new unit, division, subsidiary, affiliated company or class of covered people is not added to this Policy.
5. There is no change in any assessment levied against Us by the state in which this Policy was issued.

We, in our sole discretion, shall determine whether any of the changes referenced in sections 1 through 3 above are material. If We determine that any change is material, we shall adjust the Renewal Rate Increase Cap accordingly.]

Section VI General Provisions

Premium Provisions

Premium Payments

Premium is due on or before the Premium Due Date.

Grace Period

A grace period of 10 [forty-five (45)] days will be allowed for the payment of each premium due after the first premium has been paid. This Policy will continue in force during the grace period. If a premium is not paid by the end of the Grace Period, this Policy will terminate, without notice to You, as of the last date for which premium was paid.

Premium Data

You must provide a report to Us with each premium payment, in a form satisfactory to Us, that lists:

1. The number of each type of Covered Unit, for each Covered Benefit, under Your Plan on the first day of the Benefit Month; and
2. The amount of premium paid.

We use such premium data reports solely to process premium. They do not replace any report required, or which may be required, under Section IV of this Policy.

Severability

In the event that a court of competent jurisdiction invalidates any provision of this Policy, all remaining provisions of the Policy shall continue in full force and effect.

Termination Provisions

1. If You fail to pay the premium, this Policy will terminate in accordance with the Premium Provision of this Policy;
2. If Your Plan is terminated, this Policy will terminate on the date the Plan terminated; or
3. If You fail to maintain a minimum of 4 [50] participants in Your Plan at any time during the Policy Year, We may elect to terminate this Policy at the end of the first month during which there are less than 4 [50] participants.
4. This Policy will terminate at the end of the Policy Year unless agreed by You and Us to renew.
5. If You, or Your TPA, fail to satisfy any of Your obligations under this Policy, We may terminate this Policy by giving You sixty (60) days advance written notice.
6. We may terminate this Policy at the end of the Policy Year by providing you 5 [31] days advanced written notice.
7. You may terminate this Policy at any time by providing Us with 5 [31] days advance written notice at Our U.S. Headquarters.

The parties to this Policy may agree in writing to terminate it at any time.

Reinstatement

If this Policy is terminated for non-payment of premium, We may, at Our sole discretion, agree to reinstate it as of the date it terminated upon payment of all outstanding premiums. We may require You to provide certain information to Us before We will consider reinstating the Policy.

Time Limitations

If any time limitation in this Policy is less than that permitted by the law of the state in which the Application was taken, the limitation is hereby extended to the minimum period permitted by the law.

Sun Life Assurance Company of Canada

Application for Stop-Loss Insurance



1 Plan sponsor information

Full legal name of plan sponsor		Policy number (office use only)	
Street address		Policy effective date	
City	State	Zip code	

2 Subsidiaries, affiliates, divisions and locations

Please list all subsidiaries, affiliates, divisions, and locations to be covered under the Stop-Loss policy.

Subsidiaries, affiliates, divisions and locations to be covered under this policy:

1.
2.
3.
4.
5.
6.
7.
8.

3 Requested coverage

Please select the coverages for which you are applying.

Specific benefit

Specific benefit deductible \$	<input type="checkbox"/> Individual
	<input type="checkbox"/> Family
Aggregating specific deductible (if applicable) \$	
Specific benefit annual maximum eligible expenses \$	
Specific benefit lifetime maximum eligible expenses \$	OR <input type="checkbox"/> No maximum

Aggregate benefit

Aggregate benefit maximum \$	Aggregate benefit maximum eligible expenses per covered person* \$
---------------------------------	---

* Individual or family option applies to all selected coverages

Domiciliary State - Michigan

4 Proposed benefits: rates, covered lives, and aggregate deductible factors

Specific Benefit Premium Rates:

Single \$	Family \$	Other \$
---------------------	---------------------	--------------------

Specific Covered Benefits:

- Medical including Prescription Drug Medical excluding Prescription Drug

Aggregate Benefit Premium Rates:

<input type="checkbox"/> Monthly rate \$	<input type="checkbox"/> Annual rate (if applicable) \$	<input type="checkbox"/> Other: _____ \$
--	---	--

Total Employees	Total Family
-----------------	--------------

Aggregate Deductible Factors (ADFs):

Covered Benefit	ADF
<input type="checkbox"/> Medical	\$
<input type="checkbox"/> Prescription Drug Plan	\$
<input type="checkbox"/> Dental	\$
<input type="checkbox"/> STD	\$
<input type="checkbox"/> Vision.....	\$
<input type="checkbox"/> Other _____.....	\$

- Monthly Aggregate Accommodation (MAA)

5 Claims Basis

Contract Basis	Specific Benefit	Aggregate Benefit
12/12 Incurred and Paid.....	<input type="checkbox"/>	<input type="checkbox"/>
15/12 3 Month Run-In.....	<input type="checkbox"/>	<input type="checkbox"/>
18/12 6 Month Run-In.....	<input type="checkbox"/>	<input type="checkbox"/>
24/12 12 Month Run-In.....	<input type="checkbox"/>	<input type="checkbox"/>
12/15 3 Month Run-Out.....	<input type="checkbox"/>	<input type="checkbox"/>
12/18 6 Month Run-Out.....	<input type="checkbox"/>	<input type="checkbox"/>
12/24 12 Month Run-Out.....	<input type="checkbox"/>	<input type="checkbox"/>
Incurred	<input type="checkbox"/>	NA
Paid	NA	<input type="checkbox"/>
Other _____.....	<input type="checkbox"/>	<input type="checkbox"/>
Terminal Liability Option:	<input type="checkbox"/>	<input type="checkbox"/>

3 Months Other _____

6 For employers who are providers of medical services only (i.e. hospitals, clinics, etc.)

The Related Provider Reimbursement Percentage applied to Eligible Claims Expenses for Related Provider Services will be _____ % for the Specific Benefit and _____ % for the Aggregate Benefit.

7 Retiree information

1. **Specific Benefit:** Is retiree coverage included?..... No Yes
 2. **Aggregate Benefit:** Is retiree coverage included?..... No Yes

8 Additional benefits (Must Be Underwriting Approved)

These are programs and enhancements to your Stop-Loss coverage.

SunExcel® Transplant Program

- Elect Decline

Clinical Trials Benefit Provision

- Elect Decline

No New Special Conditions Rider at Renewal

- Elect Decline

9 Certification and Signature

Please return this form and all additional required documentation to your Sun Life Financial Group Office.

This application does not bind coverage. The applicant agrees to provide Sun Life Assurance Company of Canada with a current census of all eligible individuals, disclosure of all special risks on the Special Risk Questionnaire and a complete Plan document no later than the effective date specified in section 1. Upon approval of this application, Sun Life Assurance Company of Canada will issue a Stop-Loss insurance policy with insurance coverage to become effective on the effective date. This application will be attached to and made a part of the Stop-Loss policy.

The policy will be void if the applicant has concealed or misrepresented any material fact or circumstance concerning the subject of this application.

Please read the fraud warning below before signing this application. State law requires that we notify you of the following: *[(If the applicant organization is headquartered in Colorado, District of Columbia, Florida, Kansas, Kentucky, Maryland, New Jersey, Oregon, Rhode Island, Tennessee, Vermont, Virginia, and Washington, please see Page 4.)]*

Any person who knowingly presents a false or fraudulent claim for payment of a 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.

Name of authorized representative of plan sponsor		Title
Signature of authorized representative X		Today's date
Signature of agent/broker X		
Print name of agent/broker		
Florida agent/broker license ID number		Amount paid with this application \$
Countersigned by licensed resident agent (when required by law) X		

Arkansas Required Notice:

Sun Life Assurance Company of Canada is a member of the Sun Life Financial group of companies.
 © 2010 Sun Life Assurance Company of Canada, Wellesley Hills, MA 02481. All rights reserved.
 Sun Life Financial and the globe symbol are registered trademarks of Sun Life Assurance Company of Canada.

NOTICE: Employers/plan sponsors of self-funded health plans should not consider the purchase of stop loss coverage and/or excess loss coverage as complete protection from all liability created by the self-funded health plan. Employers/plan sponsors should be aware that the failure to comply with the terms of the stop loss policy and/or the provisions in the self-funded health plan may cause the employer/plan sponsor to incur liabilities under the health plan. For instance, if medical claims are paid on an ineligible individual, the stop loss carrier may deny the reimbursement under the stop loss policy. In addition, the Arkansas Life and Health Insurance Guaranty Association does not cover claims reimbursable under a stop loss policy.

Fraud Warnings

Please read the applicable fraud warning before signing this application.

State law requires that we notify you of the following:

Please read the fraud warning below before signing this form. Where noted, state law requires that we notify you of the following:

[Fraud Warning (except as specified below): Any person who knowingly and with 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 that person to criminal and civil penalties.]

[Fraud Warning for 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 Warning for District of Columbia and Rhode Island: Any person who knowingly presents a false or fraudulent claim for payment of a 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 Warning for Florida: ANY PERSON WHO KNOWINGLY AND WITH INTENT TO INJURE, DEFRAUD, OR DECEIVE ANY INSURER 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 Warning for Kansas: Any person who knowingly and with 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 may be guilty of insurance fraud as determined by a court of law.]

[Fraud Warning for Kentucky: Any person who knowingly and with 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 may be a crime and subjects that person to criminal and civil penalties.]

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

[Fraud Warning for 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 Warning for Oregon: Any person who knowingly and with 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 may commit a fraudulent insurance act, which may subject that person to criminal and civil penalties.]

[Fraud Warning for Tennessee, Virginia 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 Warning for Vermont: Any person who knowingly presents a false statement in an application for insurance may be guilty of a criminal offense and subject to penalties under state law.]

<i>SERFF Tracking Number:</i>	<i>SNLF-126669841</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>Sun Life Assurance Company of Canada</i>	<i>State Tracking Number:</i>	<i>46471</i>
<i>Company Tracking Number:</i>	<i>SL SPECIFIC MAXIMUM</i>		
<i>TOI:</i>	<i>H12 Health - Excess/Stop Loss</i>	<i>Sub-TOI:</i>	<i>H12.004 Self-Funded Health Plan</i>
<i>Product Name:</i>	<i>Group Stop Loss</i>		
<i>Project Name/Number:</i>	<i>SL Specific Maximum/</i>		

Supporting Document Schedules

		Item Status:	Status
			Date:
Bypassed - Item:	Application	Approved-Closed	08/13/2010
Bypass Reason:	n/a		
Comments:			

		Item Status:	Status
			Date:
Satisfied - Item:	Flesch Certification	Approved-Closed	08/13/2010
Comments:			
Attachment:			
	STD-1A CERT OF COMP (Forms).pdf		

		Item Status:	Status
			Date:
Satisfied - Item:	Actuarial Cert	Approved-Closed	08/13/2010
Comments:			
Attachment:			
	Actuarial Memorandum .pdf		

		Item Status:	Status
			Date:
Satisfied - Item:	Statement of Variability	Approved-Closed	08/13/2010
Comments:			
Attachment:			
	statement of variability.pdf		

		Item Status:	Status
			Date:
Satisfied - Item:	Previously approved forms	Approved-Closed	08/13/2010
Comments:			
Attachment:			

SERFF Tracking Number: SNLF-126669841 *State:* Arkansas
Filing Company: Sun Life Assurance Company of Canada *State Tracking Number:* 46471
Company Tracking Number: SL SPECIFIC MAXIMUM
TOI: H12 Health - Excess/Stop Loss *Sub-TOI:* H12.004 Self-Funded Health Plan
Product Name: Group Stop Loss
Project Name/Number: SL Specific Maximum/
Previously approved forms.pdf

CERTIFICATE OF COMPLIANCE

This is to certify that the text of the submitted forms has achieved a Flesch reading ease score that meets your department's requirements.

<u>Form</u>	<u>Flesch Score</u>
07-SL-BEN-SPEC et al rev 6-10	50.9

SUN LIFE ASSURANCE COMPANY OF CANADA

Linda W. Murphy

Linda W. Murphy
Associate Director

Actuarial Certification

Sun Life Assurance Company of Canada

RE: Forms: 07-SL-SCH-SPEC rev 6-10, 07-SL-BEN-SPEC rev 6-10, 07-SL-GP rev. 6-10

I hereby certify that there is no impact of the above forms on any manual rates currently on file with your Department. Additionally, I certify that the benefits are reasonable in relation to the premium charged.

Paula M. Jones, F.S.A., M.A.A.A.

A handwritten signature in black ink that reads "Paula M. Jones". The signature is written in a cursive style with a large, looped 'J' at the end.

Director, Group Actuarial

Sun Life Assurance Company of Canada

Explanation of Variables for new Forms 07-SL-SCH-SPEC rev 6-10, 07-SL-BEN-SPEC rev 6-10, 07-SL-GP rev 6-10

Variable No.	Form No.	Explanation of Variable
1	07-SL-SCH-SPEC rev 6-10	This Schedule page will be included if Specific Coverage is purchased
2		Varies by effective date of specific coverage
3		Varies, depending on policy effective/renewal date
4		Varies from 50%-100%
5		Included if the policyholder is a provider of medical services. The percentage varies from 0% to 100%.
6		Prescription Drug Plan language is included or excluded, if the policyholder chooses to purchase this benefit. Alternate language is “excluding all Prescription Drugs”.
7		Varies from \$25,000 to \$2,000,000.
8		Included if the policyholder chooses transplant option. The amount varies form \$25,000 to \$2,000,000.
9		Included if the policyholder chooses an aggregating specific deductible. The amount varies from \$5,000 to \$2,000,000.
10		Will be included or excluded based on policyholder choice. Amount varies from \$100,000 to Unlimited.
11		Provisions will be included or excluded, based on policyholder choice. Number of months for the “Incurred” and “Paid” periods varies from 1 to 48. Number of months for the “Run-In” and “Run-Out” periods varies from 1 to 48.
12		Varies depending on the policyholder’s choice.
13		May be covered or not covered.
14		Rates and coverage basis will vary based on policyholder choice.
15		Can be any day of the month from the 1 st to the 31 st .
16		Will be included or excluded based on policyholder choice. The amount varies from \$100,000 to \$10,000,000.
Variable No.	Form No.	Explanation of Variable
1	07-SL-BEN-SPEC rev 6-10.	This section will be included if specific stop loss coverage is purchased.
2		Included if aggregating specific deductible option is chosen.
3		Definition may vary, based on whether a collective unit is used to satisfy the specific deductible.
4		Calculation of the deductible may vary, based on negotiated criteria.
5		Included at policyholder’s option.
6		Include if the terminal liability option is chosen. Number of months will range from 3-12.
7		Included if policyholder has elected a Specific Benefit Annual Maximum.
8		Included if policyholder has elected a Specific Benefit Lifetime Maximum.
Variable No.	Form No.	Explanation of Variable
1	07-SL-GP rev 6-10	Include if agreed to between policyholder and Sun Life
2		Include if agreed to between policyholder and Sun Life
3		Include if agreed to between policyholder and Sun Life.

Sun Life Assurance Company of Canada

Explanation of Variables for new Forms 07-SL-SCH-SPEC rev 6-10, 07-SL-BEN-SPEC rev 6-10, 07-SL-GP rev 6-10

4		Minimum number of participants may vary, but will never be less than 50.
5		Notice of termination may vary from 31 to 90 days.
6		Time period may vary from 60 to 90 days.
7		Time period may vary from 2 to 6 years.
8		Include if the plan includes an aggregating specific deductible.
9		Rate cap may vary, but will not exceed 75%
10		Grace period may vary from 31 to 90 days.
11		Will be included or excluded, based on policyholder choice.

Sun Life Assurance Company of Canada

Explanation of Variables for previously approved Forms 07-SL-SCH-AGG, 07-SL-DEF, 07-SL-ELIG rev, 07-SL-LAE rev, 07-SL-YRAR, 07-SL-ORAR

Variable No.	Form No.	Explanation of Variable
1	07-SL-SCH-AGG	This Schedule page will be included if Aggregate Coverage is purchased
2		Varies depending on the effective date of the Aggregate benefit.
3		Included if the Aggregate benefit is renewed. The dates vary depending on the Aggregate benefit policy year.
4		Varies from 50% to 100%.
5		Included if the policyholder is a provider of medical services. The percentage varies from 0% to 100%.
6		Benefits will vary, depending on types of coverage chosen. Prescription Drug Plan language varies and is included if the policyholder chooses to purchase this benefit. Alternate language is “excluding all Prescription Drugs”.
7		Varies from \$100,000 to \$10,000,000.
8		Varies from \$25,000 to <u>\$2,000,000</u> .
9	07-SL-SCH-AGG	Varies by type of coverage provided and based on calculation method.
10		Varies by calculation method. Multiplier depends on the length of the policy year, and varies from 1 to 36. Percentage will vary from 70% to 100%
11		Included if Terminal Liability is purchased by the policyholder. Range will be from 3-12 months.
12		Provisions will be included or excluded, based on policyholder choice. Number of months for the “Incurred” and “Paid” periods varies from 1 to 48. Number of months for the “Run-In” and “Run-Out” periods varies from 1 to 48.
13		Varies depending on policyholder choice.
14		May be covered or not covered.
15		Rates and coverage basis will vary based on policyholder choice and calculation method.
16		May be month, quarter, or Policy Year.
17		Number of months will vary from 1-6. Multiplier will vary from 1-6, and will be equal to the number of months.
Variable No.	Form No.	Explanation of Variable
1	07-SL-DEF	Definitions will vary, based on plan design, type of reimbursement coverage and negotiated terms between insurer and policyholder.
2		Include if the plan includes reimbursement for alternative care.
3		Definition will vary, based on policyholder’s option.
4		Definition will vary, based on policyholder’s option.
5		Definition will be included if reimbursement is limited or excluded.
6		Definition will be included if reimbursement is limited or excluded.
7		Included at the policyholder’s option.
8		Definition will be included if reimbursement is limited or excluded.
9		Definition will be included if reimbursement is limited or excluded.

Sun Life Assurance Company of Canada

Explanation of Variables for previously approved Forms 07-SL-SCH-AGG, 07-SL-DEF, 07-SL-ELIG rev, 07-SL-LAE rev, 07-SL-YRAR, 07-SL-ORAR

10		Definition will be included if reimbursement is included for off-label drug use.
11		Included if Schedule contains an Aggregate stop loss benefit.
12		Included if Schedule contains a Specific stop loss benefit.
13		Included if the policyholder is a provider of medical services.
14		Included if the policyholder is a provider of medical services.
15		Included if the transplant coverage is chosen.
16		Included if the amount of the transplant deductible is not equal to the Specific Benefit Deductible.
17		Definition may be included or excluded, based on whether reimbursement is provided.
18		Included if reimbursement is limited to usual and customary charges.
19		Varies if company headquarters is relocated.
<u>20</u>		<u>Definition may be included or excluded based on whether Medical is included in Covered Benefits.</u>
Variable No.	Form No.	Explanation of Variable
1	07-SL-ELIG rev.	Include if the plan includes a maximum reimbursement. Reimbursement percentages for cost-savings will vary from 10% to 40%.
2		Reimbursement amounts for cost-savings will vary from \$1,000 to \$10,000.
<u>3</u>		<u>Included if Medical is a Covered Benefit.</u>
Variable No.	Form No.	Explanation of Variable
1	07-SL-LAE rev.	One or more of the Limitations and Exclusions may be removed, if requested by policyholder and agreed to by Sun Life.
2		Limitation for treatment outside of the U.S. may be liberalized by limiting the geographic area for which reimbursement will not be made.
<u>3</u>		<u>May vary to read "Expenses not included as a Covered Benefit on the Schedule of Benefits."</u>
Variable No.	Form No.	Explanation of Variable
1	07-SL-YRAR	Include if the plan includes specific stop loss.
2		Include if the plan includes aggregate stop loss.
<u>3</u>		<u>Included if Medical is a Covered Benefit.</u>
Variable No.	Form No.	Explanation of Variable
1	07-SL-ORAR	Percentage will vary from 5% to 25%
2		Percentage will vary from 5% to 25%
<u>3</u>		<u>Included if Medical is a Covered Benefit.</u>
<u>4</u>		<u>Will vary based on plan design and type of reimbursement coverage.</u>

Schedule of Benefits

1[Aggregate Benefit

Original Aggregate Benefit Effective Date 2[January 1, 2007]

Benefit Specifications

[Renewal] Policy Year 3[January 1, 2007] through [December 31, 2007]

Reimbursement Percentage 4[100%] of Eligible Expenses

[Related Provider Reimbursement Percentage 5[80%] of Eligible Expenses]

Covered Benefits 6 [Medical] [, excluding Prescription Drugs covered under a Prescription Drug Plan]

[Prescription Drug Plan (PDP)]

[Vision Plan]

[Dental Plan]

[Short Term Disability Plan (STD)]

Aggregate Benefit Maximum 7[\$1,000,000]

Aggregate Benefit Maximum Eligible Expenses Per Covered Person 8[\$100,000]

Aggregate Deductible Factor (“ADF”) The ADF per Benefit Month for each Covered Unit by Covered Benefit is as follows:

9Covered Benefit	Covered Unit	ADF
[Medical]	[Covered Unit]	[\$300.00]]
[PDP]	[Covered Unit]	[\$150.00]]
[Dental]	[Covered Unit]	[\$50.00]]
[STD]	[Covered Unit]	[\$30.00]]
[Vision]	[Covered Unit]	[\$30.00]]

Minimum Aggregate Deductible 10The Minimum Aggregate Deductible for the current Policy Year is the greater of:

- a) [\$1,458,000], or
- b) [70-90%] of the Monthly Aggregate Deductible for the first month of the Policy Year, then multiplied by [1-36].

Aggregate Benefit Attachment Point The Aggregate Benefit Attachment Point is the greater of:
a) The sum of the Monthly Aggregate Deductibles for the Policy Year, or
b) The Minimum Aggregate Deductible.

Schedule of Benefits

1[Aggregate Benefit

11[Terminal Liability Aggregate Benefit Attachment Point

The Terminal Liability Aggregate Benefit Attachment Point is equal to the sum of the Aggregate Deductible Factors for all Covered Benefits, multiplied by the greater of:

- a) The sum of the number of Covered Units for each of the last 17[3] Benefit Months of the Policy Year, or
- b) The average number of Covered Units for all Benefit Months in the Policy Year, multiplied by 17[3].]

Aggregate Benefit Claims Basis

12[[12/12] (Incurred and Paid)

Eligible Expenses include only those expenses Incurred and Paid within the Policy Year.]

[[15/12] ([3] Month Run-In)

Eligible Expenses include only those expenses Incurred during the Policy Year, or within [3] months prior to the Policy Year (the “Run-In Period”), and Paid during the Policy Year.]

[[12/15] ([3] Month Run-Out)

Eligible Expenses include only those expenses Incurred during the Policy Year and: (a) Paid during the Policy Year; or (b) Paid within [3] months after the Policy Year (the “Run-Out Period”).]

[Paid

Eligible Expenses include only those expenses Paid during the Policy Year.]

Covered Unit(s)

13[Single employee,] [Employee + 1 dependent,] [Employee + 2 dependents,] [Employee +family] [COBRA continuee]

Retirees

14[Not Covered]

Aggregate Benefit Premium Rate

15[\$] per [covered unit] [per] [month]

Premium Due Date

16The Policy Effective Date and the first day of each succeeding [month].

Section I Definitions

1

2[Alternative Care: For the purpose of determining Eligible Expenses under this Policy, Alternative Care means a plan of Treatment, identified through case management services provided to Your Plan, which substitutes a covered expense under Your Plan for another covered expense under Your Plan. We may consider these expenses for reimbursement if the Treatment is cost-effective and Medically Appropriate and Necessary for the care of a Covered Person. Alternative Care must satisfy the requirements set forth in Section II, Expenses Eligible for Reimbursement.]

Benefit Month: Any calendar month during which this Policy is in force.

Catastrophic Diagnosis: Any medical condition that is a special risk on Our Special Risk Questionnaire.

Claims Basis: The period of time, shown on the Schedule(s) of Benefits, during which Eligible Expenses must be Incurred by a Covered Person and Paid by You to be eligible for reimbursement under this Policy.

Covered Benefits: The benefit provisions of Your Plan that are insured for stop-loss coverage under this Policy. The Covered Benefits for this Policy are shown on the Schedule(s) of Benefits.

3[Covered Person: A person enrolled in Your Plan and entitled to receive benefits under Your Plan while this Policy is in force. Retirees, as defined by Your Plan, may be Covered Persons if they are included on the Schedule(s) of Benefits. Covered Person also includes a person enrolled in Your Plan and entitled to receive benefits under Your Plan during the Run-In Period who dies before the Policy Effective Date.]

Covered Unit: A category of participants under Your Plan. The Covered Unit(s) for this Policy are shown on the Schedule(s) of Benefits.

4[Dependent: A person enrolled in Your Plan and entitled to receive benefits under Your Plan as a dependent of a Covered Person. If the law of the state where the Policy is issued requires that domestic partners be covered under Your Plan, then individuals who are domestic partners under the law shall be considered Dependents under the Policy.]

5[Drug or Alcohol Dependence: Dependence on, or abuse of, a chemical substance or alcohol as classified by the current edition of the Diagnostic and Statistical Manual of the American Psychiatric Association (“DSM”) or a comparable manual if the American Psychiatric Association stops publishing the DSM.]

6[Experimental or Investigational Treatment: For the purpose of determining Eligible Expenses under this Policy, a Treatment (other than covered Off-Label Drug Use) will be considered by Us to be experimental or investigational if:

1. The Treatment is governed by the United States Food and Drug Administration (“FDA”) and the FDA has not approved the Treatment for the particular condition at the time the Treatment is provided; or
2. The Treatment is provided as part of an ongoing Phase I, II, or III clinical trials as defined by the National Institute of Health, National Cancer Institute or the FDA; or
3. There is documentation in published U.S. peer-reviewed medical literature that states that further research, studies, or clinical trials are necessary to determine the safety, toxicity or efficacy of the Treatment.

Experimental or Investigational Treatment includes any Treatment or hospital confinement that arises from, relates to, or is provided in connection with, the Experimental or Investigational Treatment whether or not the Treatment or hospital confinement, on their own, are considered standard of care or Medically Appropriate and Necessary.]

Incurred: The date on which Treatment is provided.

7[Independent Review Panel: A panel retained through a third party vendor of medical review services that is comprised of three physicians who are board-certified in the medical specialty or subspecialty that most typically administers the Treatment under review.]

Section I Definitions

20[Medical Management Vendor: A third party hired to reduce or control the cost of services or supplies provided to Covered Persons under Your Plan.]

8[Medically Necessary and Appropriate: For the purpose of determining Eligible Expenses under this Policy, a medically necessary and appropriate Treatment is one that We determine meets all of the following criteria:

1. It is recommended and provided by a licensed physician, dentist or other medical practitioner who is practicing within the scope of his or her license; and
2. It is generally accepted as the standard of medical practice and care for the diagnosis and treatment of the particular condition; and
3. It is approved by the FDA, if applicable.]

9[Mental Illness: For the purpose of determining Eligible Expenses under this Policy, Mental Illness includes, but is not limited to, bipolar affective disorder, schizophrenia, psychotic illness, manic depressive illness, depression and depressive disorders, anxiety and anxiety disorders and any other mental and nervous condition classified in the DSM. Mental Illness does not include any condition listed in Appendix G of the DSM-IV, titled “ICD-9-CM Codes for Selected General Medical Conditions and Medication Induced Disorders,” or any comparable listing if Appendix G is no longer published.]

10[Off-Label Drug Use: The use of a drug for a purpose other than that for which it was approved by the FDA.]

11[Original Aggregate Benefit Effective Date: When We provide You with Aggregate Benefit coverage under this Policy for consecutive Policy Years, the Original Aggregate Benefit Effective Date is the date Aggregate Benefit coverage first became effective in the consecutive year period.]

12[Original Specific Benefit Effective Date: When We provide You with Specific Benefit coverage under this Policy for consecutive Policy Years, the Original Specific Benefit Effective Date is the date Specific Benefit coverage first became effective in the consecutive year period.]

Paid: The date Your check or draft for payment of expenses Incurred by a Covered Person is issued and delivered to the payee, provided that the account upon which the payment is drawn contains sufficient funds to permit the check or draft to be honored.

Plan: Your self-funded employee benefit plan established to provide benefits to Covered Persons as described in Your plan document. For the purpose of determining benefits payable under this Policy, the Plan shall not include any amendments made to the plan document after the Original Aggregate Benefit Effective Date or the Original Specific Benefit Effective Date, whichever is earlier, unless We notify You in writing from Our U.S. Headquarters that We accept the amendment.

Policyholder: You, the legal entity to whom this Policy is issued.

20[Prescription Drugs: For the purpose of determining Eligible Expenses under this Policy, Prescription Drugs includes all prescription drugs covered under Your Plan, other than prescription drugs administered to a Covered Person while he or she is confined in a hospital or other medical facility.]

Prescription Drug Plan: A benefit provision of Your Plan, or a separate employee benefit plan maintained by You, under which prescription drug expenses are paid independently of other medical expenses. Expenses incurred under a Prescription Drug Plan will be included as Eligible Expenses only if the Prescription Drug Plan is included as a Covered Benefit in the Schedule of Benefits. A Prescription Drug Plan does not mean prescription drug expenses paid subject to any deductibles and coinsurance applicable to other medical benefits under Your Plan.

20[Provider Network: A Preferred Provider Organization (PPO), Exclusive Provider Organization (EPO), Point of Service Plan (POS), self-funded Health Maintenance Organization (HMO), or any managed care network offered under Your Plan.]

Reimbursement Percentage: The percent of Eligible Expenses that will be considered for reimbursement under this Policy.

Section I Definitions

13[Related Provider: Any facility, service provider, pharmacy or other vendor, which is owned, operated or controlled by, or affiliated with, the Policyholder (or the Covered Person's employer, if different). Related Provider includes any subsidiary, affiliate or parent company of the Policyholder.]

14[Related Provider Reimbursement Percentage: The percent of Eligible Expenses for any Treatment rendered by a Related Provider, or purchased from a Related Provider, that will be considered for reimbursement under this Policy.]

Schedule of Benefits: This Policy's schedule of Specific Benefit coverage or Aggregate Benefit coverage provided under this Policy.

Special Risk Questionnaire: A report used to provide Us with certain information We require to underwrite this Policy.

Third Party Administrator ("TPA"): A third party that You have entered into an agreement with to provide administrative services to Your Plan. Your TPA is not Our agent.

15[Transplant: The transplant of organs from human to human, including bone marrow, stem cell and cord blood transplants. Transplants include only those transplants that: (a) are approved for Medicare coverage on the date the Transplant is performed; and (b) are not otherwise excluded by this Policy.

A Transplant must be performed at a Transplant Facility in order to be considered for reimbursement under this Policy. Skin and Cornea transplants are not considered a Transplant for the purpose of determining Eligible Expenses under this Policy, but are considered Eligible Expenses if covered by Your Plan.]

16[Transplant Deductible: A deductible, in addition to the Specific Benefit Deductible, that must be satisfied before any Eligible Expenses Incurred in connection with a covered Transplant will be considered for reimbursement under this Policy.]

Transplant Facility: A hospital or facility which is accredited by the Joint Commission on Accreditation of Healthcare Organizations to perform a Transplant and:

For organ transplants: is an approved member of the United Network for Organ Sharing for such Transplant or is approved by Medicare as a transplant facility for such Transplant;

For unrelated allogeneic bone marrow or stem cell transplants: is a participant in the National Marrow Donor Program;

For autologous stem cell transplants: is approved to perform such Transplant by: (a) the state where the Transplant is to be performed; or (b) Medicare; or (c) the Foundation for the Accreditation of Hemopoietic Cell Therapy. Outpatient transplant facilities must be similarly approved.

17[Treatment: Any treatment, procedure, service, device, supply or drug provided to a Covered Person.]

18[Usual and Customary Fee: The usual and customary charge for the locality where the expenses are incurred.

19[U.S. Headquarters: Our United States headquarters located at One Sun Life Executive Park, Wellesley Hills, Massachusetts.]

Section II
Benefit Provisions
Expenses Eligible for Reimbursement

Eligible Expenses

Eligible Expenses include any amount paid by You for Medically Necessary and Appropriate expenses incurred by a Covered Person which:

1. Have been paid in accordance with the terms of Your Plan; and
2. Were Incurred and Paid during the applicable claims basis; and
3. Are paid under a Covered Benefit shown on the Schedule of Benefits; and
4. Are not otherwise excluded under this Policy.

3[Alternative Care

In addition to satisfying Eligible Expenses criteria 2,3 and 4 above, expenses related to Alternative Care may be considered Eligible Expenses when all of the following additional criteria have been satisfied and submitted to Sun Life Case Management for approval:

1. You demonstrate to Our satisfaction that providing the Alternative Care resulted in a cost savings to the Plan; and
2. The Alternative Care was recommended by case management services provided to Your Plan; and
3. The Alternative Care was Medically Necessary and Appropriate; and
4. The Alternative Care was provided with the consent of the Covered Person, or his/her representative, and with the approval of the Covered Person's licensed health care provider, and was approved by You or Your TPA; and
5. The Alternative Care replaces Treatment that would be covered under Your Plan; and
6. The Alternative Care expenses do not exceed the maximum allowed under Your Plan for the Treatment replaced by the Alternative Care; and
7. If the Alternative Care is provided in lieu of inpatient hospitalization, the Covered Person meets utilization review criteria acceptable to Us for inpatient hospitalization for the entire period the Alternative Care is provided. In no event will such Alternative Care that exceeds 90 days be considered Eligible Expenses unless approved by Us.]

Off-Label Drug Use

In addition to satisfying the criteria for Eligible Expenses set forth above, expenses related to Off-Label Drug Use may be considered Eligible Expenses when all of the following additional criteria have been satisfied:

1. The drug is not excluded under Your Plan; and
2. The drug has been approved by the FDA; and
3. You can demonstrate to Our satisfaction that the Off-Label Drug Use is appropriate and generally accepted for the condition being treated; and
4. If the drug is used for the treatment of cancer, Lexi-Comp with AHFS-DI (American Hospital Formulary Service Drug Information), Micromedex Drugpoints, NCCN (National Comprehensive Cancer Network) Drugs and Biologics Compendia, or Wolters Kluwer Health Facts and Comparisons, recognize it as an appropriate treatment for that form of cancer.
5. The drug is not provided as part of a Phase I, II or III clinical trial as defined by the National Institute of Health, National Cancer Institute or the FDA.

3[Reimbursement of Certain Fees

Eligible Expenses will also include the following fees Incurred and Paid by You, when approved by Us at Our U.S. Headquarters:

Reasonable hourly fees for case management services provided by a registered nurse case manager retained by You or Your TPA; and

Fees for: (a) hospital bill audits; (b) access to non-directed provider networks; and (c) negotiating out of network bills.

Such fees shall be considered Eligible Expenses only if You can demonstrate to Us that the work that generated the fees resulted in a cost savings to the Plan. If the Plan can demonstrate such a cost savings, We will reimburse You up to **1**[25%] of the amount saved.**2**[, up to a maximum of [\$5,000] per hospital confinement per Covered Person.]]

Section II
Benefit Provisions
Expenses Eligible for Reimbursement

Fees charged by Your TPA or any subsidiary of Your TPA for any of these services will be considered Eligible Expenses only if prior approval has been obtained in writing from Us at Our U.S. Headquarters.

State Health Care Surcharges

If You pay a state health care surcharge in connection with the payment of Eligible Expenses, the health care surcharge shall be considered an Eligible Expense. Penalties or fines associated with the health care surcharge or the underlying expenses will not be considered Eligible Expenses.

Section II
Benefit Provisions
Limitations and Exclusions

We will NOT reimburse You for:

1. 1 [Expenses for medical services rendered to a Covered Person by the Covered Person's family member or relative.]
2. [Expenses that are payable or reimbursable under any Workers' Compensation Law or similar legislation.]
3. [Expenses for any cosmetic Treatment as defined in Your Plan. This exclusion does not apply to expenses relating to breast reconstruction after mastectomy.]
4. [Expenses for any Experimental or Investigational Treatment, or for any hospital confinement or Treatment that results from Experimental or Investigational Treatment.]
5. [Expenses for any transplant not included in the definition of Transplant.]
6. [Expenses relating to non-human organ or tissue transplants, gene therapies, xenographs or cloning.]
7. [Expenses for any Treatment administered outside the 2 [United States] if the Covered Person traveled to the location where the Treatment was received for the purpose of obtaining the Treatment.]
8. [Expenses for benefits in excess of Your Plan's limits, or expenses that are excluded under Your Plan.]
9. [Expenses in excess of the Usual and Customary Charge.]
10. [Any amount paid by You in excess of a negotiated provider discount, or any penalty or late charge incurred, or any discount lost, unless previously approved in writing by Us at Our U.S. Headquarters.]
11. [Expenses associated with the administration of Your Plan including, but not limited to, claim payment fees, cost containment administrative fees, PDP administration fees, PPO access fees, premium functions, medical review and consultant fees, unless otherwise covered under this Policy.]
12. [Expenses paid by You relating to any litigation concerning Your Plan, including, but not limited to, attorneys' fees, extra-contractual damages, compensatory damages and punitive damages.]
13. [Any portion of an expense which You are not obligated to pay under Your Plan, or which is reimbursable to You under:
 - a) Another group health benefit program; or
 - b) A government or privately supported medical research program; or
 - c) Medicare; or
 - d) Any coordination of benefits or non-duplication of benefits provision of Your Plan; or
 - e) Worker's compensation; or
 - f) Any other source.]
14. [Expenses incurred by a person who is employed by You at any unit, subsidiary or division of Yours that has not been underwritten by Us.]
15. [Expenses incurred for any illness or injury due to, or aggravated by, war or an act of war, whether declared or undeclared.]
16. [Expenses paid by You for any Treatment authorized or approved under any provision of Your Plan which:
 - a) Allows the plan administrator to approve alternative care or alternative treatment; or
 - b) Allows the plan administrator to alter, modify, or waive Plan provisions or limitations, or
 - c) Grants You or Your plan administrator discretion to approve coverage for Treatment not otherwise covered under Your Plan;unless the Treatment satisfies the criteria for Alternative Care set forth in Section II.]

Section II
Benefit Provisions
Limitations and Exclusions

17. [Expenses for any Transplant if You have a separate insurance policy that covers Transplants for Covered Persons regardless of whether the Covered Person is covered by that policy.]
18. 3 [Expenses covered under a Prescription Drug Plan, unless Prescription Drug Plan coverage is a Covered Benefit on the Schedule of Benefits.]
19. [Expenses for Treatment of Mental Illness and Drug or Alcohol Dependence will be limited to the lesser of Your Plan's maximum benefit for such condition or the Specific Benefit Deductible.]
20. [Expenses incurred for any illness or injury due to or aggravated by:
 - a) [The Covered Person's operation of any motorized vehicle while Intoxicated. "Intoxicated" means the person operating the motorized vehicle has a blood alcohol level that equals or exceeds the minimum blood alcohol level required to be considered operating a motorized vehicle under the influence of alcohol in the jurisdiction where the accident occurred. "Motorized vehicle" includes, but is not limited to, automobiles, motorcycles, boats and snowmobiles.]
 - b) [The Covered Person's committing or attempting to commit an assault, felony or other criminal act; or]
 - c) [The Covered Person's voluntary use of any controlled substance as defined in Title II of the Comprehensive Drug Abuse Prevention and Control Act of 1970, as amended, unless used on the advice of a physician.]
20. [Notwithstanding any other Policy provision, We will not reimburse any expense incurred by any employee, or by the employee's dependents, where the employee is a member of: (a) a division, unit, group, subsidiary, affiliate, or class of employee of the Policyholder; or (b) an association, trust, cooperative or similar organization connected with the Policyholder, that is not covered by the Plan as of the Policy Renewal Effective Date.]
21. [Regardless of any provision in Your Plan, if on the Policy Effective Date or Policy Renewal Effective Date, a Covered Person is not Actively At Work or a Dependent is totally disabled, is in an institution receiving medical care or Treatment, or is confined at home or elsewhere, any expenses Incurred by the Covered Person or Dependent will not be considered for Eligible Expenses under this policy. This limitation will continue for all expenses Incurred by the Covered Person until he or she is Actively at Work and for all expenses incurred by the Dependent until he or she is no longer totally disabled or is no longer in an institution receiving medical care or Treatment or confined at home or elsewhere.
22. [Expenses relating to an injury or illness arising out of, or occurring during the course of, a Covered Person performing any occupation for wage or profit.]

For the purpose of this provision:

- a) A Covered Person is considered to be Actively At Work if he or she is:
 - i) Working at Your usual place of business or at such place or places that Your normal course of business may require;
 - ii) Performing all of the duties of his or her occupation on a full-time basis; and
 - iii) Not confined in any institution providing care or treatment of physical or mental infirmities.

If a Covered Person is not Actively At Work on the Policy Effective Date or Policy Renewal Effective Date solely because that day is not a regularly scheduled workday, the Covered Person will be deemed Actively At Work on that day.

- b) A Dependent is considered totally disabled if he or she, solely because of injury or sickness, cannot engage in substantially all of the normal activities of a person of like age and sex in good health.]]

Section IV Your Rights and Responsibilities

Authorizations to Release Information

You are responsible for authorizing Your TPA, Plan Administrator, case manager or other third party service provider to release to Us information We request to underwrite, review potential claims, make claim determinations, calculate potential reimbursements, or perform other obligations under this Policy. If We do not receive requested information, it may result in the delay, reduction or denial of a claim.

Disclosure Requirements

This Policy has been underwritten based upon the information You provided to Us concerning all persons eligible for benefits under Your Plan on the Original Specific Benefit Effective Date and/or the Original Aggregate Benefit Effective Date (or on the effective date of any class of Covered Persons added thereafter). This includes, but is not limited to, those persons who are a special risk as defined in the Special Risk Questionnaire.

Your signature on the Application for this Policy warrants and represents to Us that:

1. You or Your authorized representative have consulted with **3**[your precertification, utilization review and Medical Management Vendors and] Your TPA, or former TPA, to determine who must be disclosed as a special risk on the Special Risk Questionnaire, and
2. You have identified any person who is or may be a special risk by either listing them on the Special Risk Questionnaire or by indicating any such person on the reports listed on the Special Risk Questionnaire.

If You fail to disclose an individual as a special risk, who should have been disclosed as a special risk in accordance with the Special Risk Questionnaire, We will have the right to revise the premium rates, deductibles, deductible factors and terms and conditions of this Policy in accordance with Our underwriting practices in effect at the time the Policy was underwritten, retroactive to the Original Specific Benefit Effective Date and/or the Original Aggregate Benefit Effective Date.

Reporting Requirements

You are required to provide periodic reports to Us as described below. If You, or Your TPA, do not provide the reports, or do not provide them on a timely basis, We reserve the right, once we receive them, to take whatever action We could have taken if the reports had been provided when required. Such action may include, but is not limited to, the right to revise premium rates, deductibles, and deductible factors, and to do so retroactive to the Original Specific Benefit Effective Date and/or the Original Aggregate Benefit Effective Date.

1[Specific Benefit Reporting

You, or Your TPA, are required to provide Us with notice of any potential Specific Benefit claim within thirty-one (31) days of the date:

1. A Covered Person's Eligible Expenses exceed 50% of the Specific Benefit Deductible; or
2. You, Your TPA, or Your medical management, utilization review or precertification vendors, or any other party acting on Your behalf, are notified that a Covered Person has been diagnosed with, or treated for, a Catastrophic Diagnosis.

We reserve the right to reduce a Specific Benefit claims reimbursement if failure to furnish a Covered Person's Eligible Expenses that exceed 50% of the Specific Benefit Deductible is not received.]

2[Aggregate Benefit Reporting

You, or Your TPA, are required to provide Us with a monthly report that lists:

1. The total amount of Eligible Expenses Incurred by any Covered Person and Paid by You, or Paid on Your behalf, during the Benefit Month; and
2. The number of each type of Covered Unit on the first day of the Benefit Month.

You must provide the Aggregate Benefit report to Us within thirty-one (31) days after the end of each Benefit Month.]

Section IV Your Rights and Responsibilities

Renewal Reporting

If You intend to renew this Policy, then three months prior to the end of the Policy Year, You, or Your TPA, are required to provide Us with a report that includes the following information:

1. Monthly Paid claims and enrollment data, organized by Covered Benefit;
2. Large claim information, including amount, diagnosis and prognosis, and any Covered Person who has been diagnosed with a Catastrophic Diagnosis;
3. A census of all Covered Persons;
4. A summary of the number of Covered Persons by workplace zip code, if this Policy covers Employees at multiple locations;
5. 3[A summary report of precertification, utilization review and case management services;
6. A summary report of Your Provider Network(s) or per diem arrangements, setting forth the average hospital discount or per diem charge per day;]
7. A copy of changes adopted by or proposed for Your Plan.

Plan Changes

You must notify Us in writing at Our U. S. Headquarters at least thirty-one (31) days before the effective date of any change in, or to:

1. Your Plan;
2. Your TPA;
3. Your Provider Networks; or
4. Your Medical Management Vendors.

Our prior written agreement is required before the coverage under this Policy will apply to any such change. Otherwise, benefits under this Policy will be paid based upon the terms of Your Plan, as it existed prior to any such change. We reserve the right to terminate this Policy as of the effective date of any change in or to Your Plan, Your TPA 3[, Your Provider Network, or Your Medical Management Vendor].

Notice of Legal Action

You agree to give Us prompt notice of: (a) any event that might result in a lawsuit relating to this Policy; or (b) any lawsuit involving this Policy; and to promptly provide Us with copies of any correspondence and pleadings relating to any such event or lawsuit.

Hold Harmless

You agree to defend, indemnify and hold Us harmless from and against any and all claims, demands and causes of action of every kind, relating to any litigation, that We, without Our fault, become involved with that relates to this Policy or Your Plan. You shall pay any and all attorneys' fees, costs, expenses, and damages (including compensatory, exemplary or punitive damages) incurred by Us, or payable by Us, in connection with any such litigation. This Hold Harmless provision shall not apply to litigation solely between You and Us relating to this Policy.

Refund of Overpayment

If We, You, or Your TPA determine that We have overpaid You under this Policy, You will promptly refund such overpayment to Us within 60 days of such a determination. If We are required to take legal action to collect such overpayment, You agree to indemnify Us for any costs of collection, including, but not limited to, attorneys' fees and court costs.

Responsibility for Your TPA

You are solely responsible for the actions of Your Plan Administrator, Your TPA and any other agent of Yours. Your TPA acts on Your behalf, not on Our behalf. Your TPA is not Our agent. We are not responsible for any compensation owed to, or claimed by, Your TPA or other agents for services provided to, or on behalf of, Your Plan. This Policy does not make Us a party to any agreement between You and Your TPA, nor does it make Your TPA a party to this Policy.

Section IV
Your Rights and Responsibilities

Right of Recovery

You must pursue all valid claims including, but not necessarily limited to, claims for restitution, constructive trust, equitable lien, breach of contract, injunction, and any other state or federal law claims You or Your Plan may have against any third party responsible, in whole or in part, for any Eligible Expenses Paid by You. You must immediately advise Us of any amount You recover from them. We reserve the right to pursue any and all such claims not pursued by You, and You agree to assign such claims to Us upon Our request.

Section V Our Rights and Responsibilities

Audit

We have the right to inspect and audit any and all of Your records and procedures, and those of Your TPA and any other party, that relate to any claim made by You under this Policy. We have the right to require documentation from You that demonstrates You paid an Eligible Expense and that the payment was made in accordance with the terms of Your Plan. We reserve the right to employ a third party, at Our expense, to assist Us with any audit function.

Determination of Eligible Expenses

For the purpose of determining Eligible Expenses under this Policy, We have the right to determine whether an expense was Paid by You in accordance with the terms of Your Plan.

3[Cost Containment

We have the right to retain the services of a Medical Management Vendor, at Our expense, to assist Us with cost containment when We anticipate that a Covered Person's Eligible Expenses will exceed 50% of the Specific Benefit Deductible during the Policy Year. We may also cause a Medical Management Vendor or other service provider, with whom we may have negotiated a set or discounted rate, to contact You if, in our determination, the Medical Management Vendor provides a service that may allow You or Your Plan to reduce your costs and expenses.]

Confidentiality

We will protect the privacy and confidentiality of all personally identifiable and/or medical information provided to Us in the course of underwriting or administering this Policy in accordance with Our policies and applicable state and federal laws.

Recoupment

We have the right to recoup from any benefit payable to You under this Policy any premium You owe to Us that has not been paid. Our right of recoupment does not impair Our right to terminate this Policy for non-payment of premium under the Termination Provisions of this Policy.

Right to Recalculate

We have the right to recalculate any 4[Specific Benefit Premium Rate, Specific Benefit Deductible,] [Aggregating Specific Deductible,]Aggregate Benefit Premium Rate, Aggregate Deductible Factor or Minimum Aggregate Deductible with respect to this Policy Year whenever any one or more of the following events occur:

1. Your Plan changes;
2. You change Your TPA 3[, Your Provider Network(s), or Medical Management Vendor(s)];
3. This Policy is amended;
4. The number of Covered Units on the first day of a Benefit Month increases or decreases by more than 1[15%] from the number of Covered Units on the first day of the Policy Year;
5. The number of Covered Units on the first day of a Benefit Month increases or decreases by more than 2[10%] from the first day of the prior Benefit Month;
6. A unit, division, subsidiary, or affiliated company of Yours is added to, or deleted from, this Policy;
7. The amount of Eligible Expenses paid in any one of the three (3) months immediately preceding the Policy Effective Date (the "three month period") exceeds 125% of the monthly average of Eligible Expenses Incurred during the nine (9) months immediately preceding the three month period; or
8. There are changes in You, or Your TPA's, claim paying system or payment practices that causes a variation of fifteen (15) days or more in the most recent twelve (12) month average of claim processing time.

Any right to recalculate exercised under this section may be made retroactive to the Policy Effective Date at Our election. Any recalculation will be made in accordance with Our underwriting practices in effect at the time the Policy was underwritten. The right to recalculate shall survive the termination of this Policy.

Section V
Our Rights and Responsibilities

Right of Reimbursement

Any portion of an Eligible Expense which You recover from a third party:

1. Is not eligible for reimbursement under this Policy; and
2. Cannot be used to satisfy any deductible or attachment point under this Policy; and
3. Must be repaid to Us if We previously reimbursed You for it.

Any repayment amount You owe Us may be reduced, with Our consent, by any reasonable and necessary expenses You incurred in obtaining the recovery from the third party. Any repayment amount You owe to Us shall survive the termination of this Policy.