

# *Take another look at Short Term Medical from Assurant Health*



For agent use only. Not for distribution to consumers.  
Assurant Health is the brand name for products underwritten and  
issued by Time Insurance Company.  
© 2013 Assurant, Inc. All rights reserved.

# Today's focus

- Assurant Health — the right choice
- Change brings opportunity
- STM product details

# Experience matters

- Part of Assurant, Inc., a Fortune 500 company
- Rated A- (Excellent) by A.M. Best\*
- 120 years of experience\*\*
- Health insurance solutions for individuals and small businesses nationwide
- 30+ years of Short Term Medical leadership



\* A.M. Best ratings and analysis of Time Insurance Company and John Alden Life Insurance Company, December 2012.

\*\* Assurant Health is the brand name for products underwritten and issued by Time Insurance Company.

# Broad portfolio = solutions for all

- Short term plans offer an affordable major medical option and help bridge gaps
- Major medical plans that provide broad coverage for individuals
- Array of choices for small-business owners, including alternatives to fully insured group coverage
- Fixed-benefit plans that provide affordable coverage for everyday needs
- Supplemental options to bolster coverage
- Health Savings Accounts



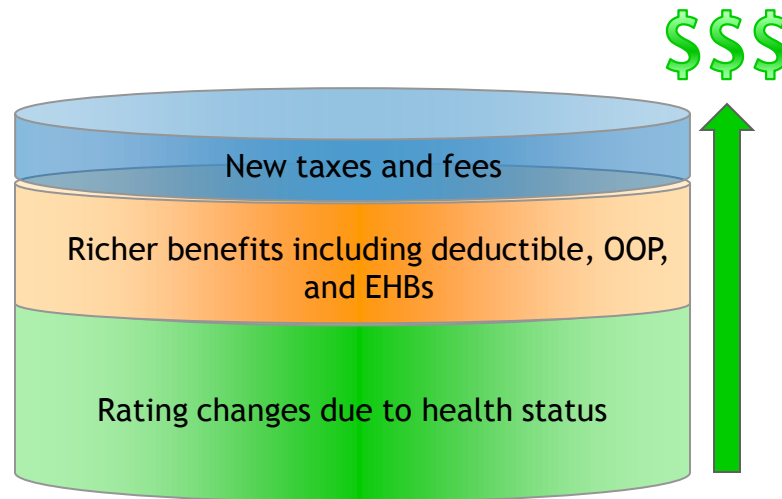
# Tools that make it easy for you

- Industry-leading online technology
- Sales support that's unmatched and understands the market, so you get the help you need navigating reform
- Instant issue — Ability to quote, submit and inform clients of approval in minutes
- After-sale support so you can keep focused on selling
- MyWebpage and sales links — Set up your page, send out your sales links and watch the sales roll in!

# Changes in the marketplace

# The marketplace

- Additional benefits mandated by the Affordable Care Act, have made new metallic plans more expensive



# Know your audience- new opportunity

Short Term Medical plans are for *price-sensitive customers looking for a different major medical option*.

## Need

An affordable major medical option for unforeseen illnesses and injuries.

### People who:

- Are willing to trade off price for a higher deductible and out-of-pocket maximum option
- Can qualify for coverage and are willing to pay out of pocket for ongoing health conditions - because they are subject to the *pre-existing condition limitation*
- Are willing to pay out-of-pocket for *preventive care* because those benefits are not covered under this plan
- Aren't opposed to paying a *tax penalty* because this plan is not considered Minimum Essential Coverage



# Know your audience- traditional customer

As they have traditionally been sold, Short Term Medical plans are still for *customers who are in between plans*.

Need

A temporary health plan.

## People who are:

- Between jobs\* — affordable alternative to COBRA
- Waiting for employer benefits — fills the gap in coverage
- Seasonal employees — flexible options

\*Penalty is not incurred until 90+ days without Minimum Essential Coverage

# Tools to help you guide the customer

STM may not be a good choice for those who would get their premium significantly subsidized

## Use Assurant Health's subsidy calculator to:

- Help guide clients to the right option
- Provide added support specific to individual situations
- Available on sales site and [assuranthealth.com](http://assuranthealth.com)

## Subsidy calculator

### Household Information

Are you a legal resident? <sup>?</sup>

☒ Yes ☐ No

Primary - date of birth

Is employer coverage available? <sup>?</sup>

☐ Yes ☒ No

Spouse - date of birth

Zip Code <sup>?</sup>

Number of dependents <sup>?</sup>

Annual household income <sup>?</sup>

### Your Results

The information presented below is an estimate based on the household information you provided above and some key assumptions made so that we could provide subsidy information in relation to actual Assurant Health plans that will be available starting January 1, 2014.

[Learn more about how we created these estimates.](#)  
[Subsidy Estimator Methodology and Assumptions](#)

FEDERAL POVERTY LEVEL	ESTIMATED SUBSIDY & PREMIUM			ESTIMATED TAX
<b>322%</b>	<b>\$250 monthly</b>			<b>\$500 yearly</b>
This number helps determine your subsidy eligibility. You may qualify for a subsidy	<b>Premium Estimate</b>	<b>Monthly</b>	<b>Yearly</b>	The estimated amount shown refers to how much you would have to pay in taxes if you are not exempt from the individual mandate and you bought a plan that does not meet Minimum Essential Coverage requirements.
	Estimated bronze plan premium	\$538	\$6,450	
	Estimated subsidy	\$250	\$3,000	
	Estimated premium after subsidy	\$288	\$3,450	
* This Bronze plan will also have a deductible of up to \$6,350 for an individual and \$12,700 for a family.				

# Know the risks

- The facts
  - Short Term Medical is not renewable. Termination of the plan does not constitute a qualifying life event and does not create a special enrollment period for a metallic plan.
  - Pre-ex starts over with each consecutive plan
  - Open enrollment for 2014 ends March 31, 2014
  - Open enrollment for 2015 is from October 15, 2014 to January 15, 2015
- What does this mean?
  - If an STM plan ends outside of open enrollment, and the customer does not qualify for another STM plan, they could have a gap in coverage
  - Examples
    - A plan ends July 1, 2014 and the customer does not qualify for another plan, they could be without coverage until January 1, 2015
    - A plan ends December 15, 2014 and the customer does not qualify for another plan, they could be without coverage until January 1, 2015

# Role of the agent

It's a confusing time and customers need you more than ever. Help prospective customers understand if a Short Term Medical plan is right for them by:

- Conducting a needs analysis
- Explaining how STM is different than metallic plans
- Ensuring they understand what their risk is with a gap in coverage



# Short Term Medical product details

# Take a new look at Short Term Medical

Unexpected illnesses and accidents happen every day, and the resulting medical bills can be disastrous.

- Variety of deductibles and co-insurance options to choose from
- \$2 million lifetime benefit
- Prescription drug coverage
- Doctor office visits for illness
- Hospitalization, inpatient and outpatient services
- X-ray and lab services
- Ambulance to nearest hospital equipped to treat condition

STM plans from Assurant Health offer affordable major medical coverage.

# The Assurant Health difference

With Assurant Health Short Term Medical plans, your customers have access to exceptional features:

- Coverage options up to 360 days<sup>1</sup>
- Coverage as soon as the next day
- Keep their doctors and hospitals — if your customer chooses to go in-network they will save 20-35%<sup>2</sup>
- Prescription drugs are covered and accumulate to medical deductible
- Families need to satisfy only one deductible

<sup>1</sup>Varies by state

<sup>2</sup>Network not available in RI

# Now offering 6 and 12 month options

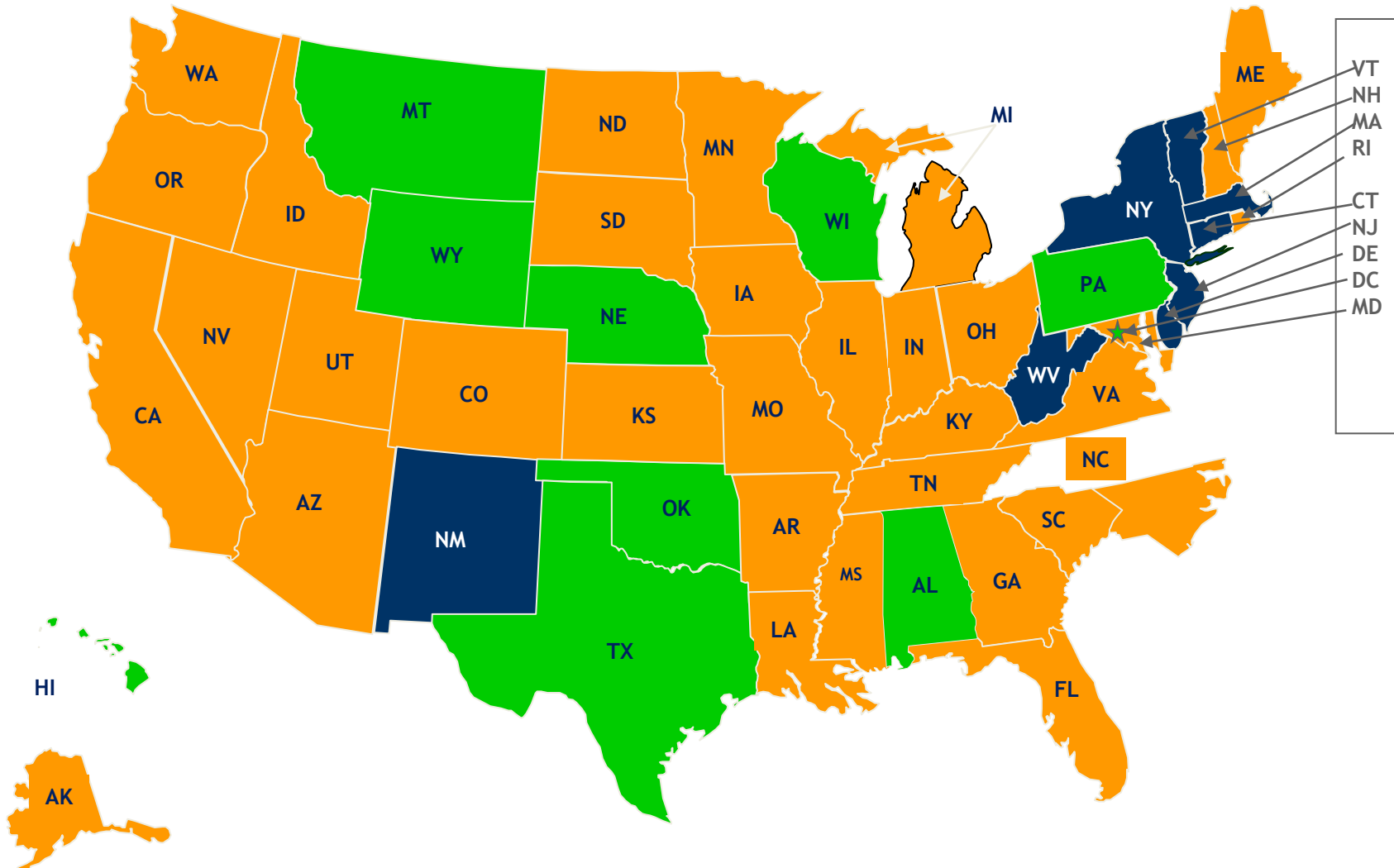
## For plans with January 1, 2014 effective dates

- 12-month (181-360 days) option in AL, DC, HI, MT, NE, OK, PA, TX, WI and WY
  - We continue to offer the 6 month plan in 43 states
- Reduced rates in GA, MO, TX and WI



# Short Term Medical *Availability by state*

	6-month STM option
	Not available (CT, DE, MA, NM, NY, VT, WV)
	12-month STM option



# Plan details: 6 month option

<b>Plan duration</b>	30—180 days
<b>Deductible</b>	\$1,000, \$2,500, \$3,500 or \$5,000
<b>Coinsurance</b>	100% <sup>1</sup> , 80%/20% or 50%/50%
<b>Coinsurance out-of-pocket maximum</b>	\$0—\$5,000

Plan options vary by state.

<sup>1</sup> 100% coinsurance not available with \$1,000 deductible.

# Plan details: 12 month option

<b>Plan duration</b>	181—360 days
<b>Deductible</b>	\$2,500 or \$5,000
<b>Coinsurance</b>	80%/20% or 50%/50%
<b>Coinsurance out-of-pocket maximum</b>	\$0—\$12,500

Plan options vary by state.

# STM product brochure



A comprehensive  
overview of our  
STM product

# Eligibility

- Guidelines have not changed
  - Can answer “NO” to all health questions on application
  - Ages 30 days to 64 years, 11 months
  - Unmarried dependents up to age 18 or 24 if full-time students,<sup>1</sup> are eligible for coverage as dependents under your policy<sup>2</sup>
  - Non U.S. citizens may qualify if they have U.S. resident address

<sup>1</sup> *Varies by state*

<sup>2</sup> *Family coverage is not available in LA. Each family member must submit an application per person.*

# Convenient payment options

- Single pay option
  - Customer saves 20% on premium
  - When customers know how long they'll need coverage (e.g., need a 12 month solution or waiting for employer benefits)
- Monthly pay option
  - “Pay as you go”
  - If customer is unsure how long they will need coverage, they can cancel when they wish
- Key consideration: plans are “up-to” policies
  - If customers are unsure of the length of coverage needed, they may want to purchase a 12-month plan and pay month-to-month

# Add Assurant Supplemental Coverage

- To enhance the customer's coverage and increase your commission, add one of the following ASC plans to the sale:
  - Dental
  - Accident Fixed Benefit
  - Accident Medical Expense
  - Critical Illness
  - Cancer and Heart/Stroke
- One application process for all your supplemental products, when you use EASE
- One carrier to handle the claims

# Get the materials you need

- New product brochures are available for download and print (Form 30697)
- Find a Form on [assuranthealthsales.com](https://assuranthealthsales.com)
- Visit the landing page, then click on the STM banner in [assuranthealthsales.com](https://assuranthealthsales.com)
- New tip sheet and state-specific rate sheets continue to include state specific variances



# Assurant Health- your partner for success

- Assurant Health provides tools you need to make the sale, for every customer
- Short Term Medical is an affordable major medical option that customers are looking for
- 6 and 12 month plan options are available with a variety of deductible and coinsurance amounts to meet varying needs
- Customers will appreciate convenient paying methods and a chance to save money when they know how long they need coverage

# Renewability, exclusions and limitations

Short Term Medical plans are not renewable, and plan termination is not considered a qualifying life event for purposes of enrolling in a metallic plan. Therefore, depending on their plan's termination date, when a customer's Short Term Medical plan expires, they may have a gap in insurance coverage until coverage with a new Short Term Medical or other health plan begins.

**PRE-EXISTING CONDITION:** A medical condition due to sickness or injury:

For which the insured received medical treatment or advice from a provider within the 5-year period immediately preceding the effective date of coverage, regardless of whether the condition was diagnosed or not diagnosed; or that produced signs or symptoms within the 5-year period immediately preceding the effective date of coverage. The signs or symptoms must have been significant enough to establish manifestation or onset by one of the following tests:

- a. The signs or symptoms would have allowed one learned in medicine to make a diagnosis of the disorder; or
- b. The signs or symptoms should have caused an ordinarily prudent person to seek diagnosis or treatment.

A pregnancy that exists on the day before your effective date will be considered a pre-existing condition.

## **PRE-EXISTING CONDITIONS LIMITATION**

We will not pay benefits during your benefit period for charges incurred due to a pre-existing condition. We will not pay benefits during your benefit period for charges related to or due to a complication of a pre-existing condition. Benefits are subject to all the terms, limits and conditions in this policy.

# Renewability, exclusions and limitations

**EXPENSES NOT COVERED BY THIS POLICY.** This policy does not cover any of the following:

1. Charges for sickness or injury caused or aggravated by suicide, attempted suicide or self-inflicted Sickness or Injury, even if you did not intend to cause the harm which resulted from the action which led to the self-inflicted sickness or injury. This exclusion applies whether you were sane or insane at the time of the suicide, attempted suicide or self-inflicted sickness or injury.
2. Sickness or injury to the extent that benefits are paid by Medicare or any other government law or program, except Medicaid (Medi-Cal in California); or medical coverage under any automobile or no fault insurance.
3. Sickness or injury eligible for benefits under worker's compensation, employers' liability or similar laws even when you do not file a claim for benefits.
4. Treatment of sickness or injury caused by or contributed to by:
  - a. War or any act of war; or
  - b. Participation in the military service of any country. Any premium paid for a time not covered will be returned pro-rata.
5. Charges for dental care, including dental braces and dental appliances unless a hospital stay is required due to injury from an accidental blow to the mouth causing trauma to sound, natural teeth, the gums or supporting structures of the teeth. A sound, natural tooth has no decay and has never had a filling, root canal therapy or crown. Inpatient hospital care must be the least expensive setting needed to produce a professionally adequate result and the Hospital charges only are covered expense. The treatment must be received while the policy is in force.
6. Charges for:
  - a. Eyeglasses, contact lenses, eye exams, eye refraction or eye surgery for correction of refraction error; vision therapy; or artificial hearing devices.
  - b. Preventive treatment including, but not limited to, routine physical exams and immunizations, unless otherwise noted as a covered expense in this policy or a rider to this policy.
  - c. Treatment, services or supplies to address: smoking cessation; snoring or sleep disorders; the treatment or prevention of hair loss; change in skin pigmentation; or cognitive enhancement.
  - d. Weight reduction or weight control programs or treatment; surgery for weight control, obesity or morbid obesity; or any type of gastric bypass surgery.
  - e. Therapy or treatment for learning disorders or disabilities or developmental delays.
  - f. Custodial care; respite care; rest care; or supportive care.
  - g. Private duty nursing services rendered during Hospital confinement; or standby health care practitioners.
  - h. Sales tax or gross receipt tax; provider administrative expenses including, but not limited to, charges for claim filing, contacting utilization review organizations and case management fees.

# Renewability, exclusions and limitations

**EXPENSES NOT COVERED BY THIS POLICY.** This policy does not cover any of the following:

7. Cosmetic treatment or reconstructive or plastic surgery that is primarily a cosmetic procedure, including medical or surgical complications arising therefrom, except as provided in the Benefits section.
8. Treatment of mental illness or substance abuse, whether organic or non-organic, chemical or non-chemical, biological or non-biological in origin and irrespective of cause, basis or inducement, unless otherwise noted as a covered expense in this policy or a rider to this policy.
9. Treatment or services rendered by, or supplies purchased from, a member of your immediate family or an employer.
10. Treatment or services required due to accidental injury sustained in operating a motor vehicle while the insured's blood alcohol level, as defined by law, exceeds that level permitted by law or otherwise violates legal standards for a person operating a motor vehicle in the state where the injury occurred. This exclusion applies whether or not the injury occurred in connection with an incident involving the operation of a motor vehicle, and whether or not the insured is charged with any violation in connection with the accident.
11. Treatment or services required due to injury received while engaging in any hazardous occupation or other activity including, but not limited to: Participating, instructing, demonstrating, guiding or accompanying others in parachute jumping, hang-gliding, bungee jumping, flight in an aircraft other than a regularly scheduled flight by an airline, racing any motorized or non-motorized vehicle, rock or mountain climbing, parkour, and extreme sports. Also excluded are treatment and services required due to injury received while practicing, exercising, undergoing conditioning or physical preparation for any such activity.
12. Treatment or services required due to injury received while engaging in any hazardous occupation or other activity for which compensation is received in any form, including sponsorship including, but not limited to: Participating, instructing, demonstrating, guiding or accompanying others in skiing, horse riding, rodeo activities, professional or semi-professional sports, adult sporting competition at a national or international level or extreme sports. Also excluded are treatment and services required due to injury received while practicing, exercising, undergoing conditioning or physical preparation for any such compensated activity.
13. Treatment or services required due to injury sustained while participating in any inter-collegiate sport, contest or competition or while practicing, exercising, undergoing conditioning or physical preparation for any such sport, contest or competition.
14. Expense incurred due to sickness or injury of which a contributing cause was the Insured's voluntary attempt to commit, participation in or commission of a felony, whether or not charged, or as a consequence of the Insured's being under the influence of illegal narcotics or non-prescribed controlled substances.
15. Expenses incurred outside of the United States or its possessions or Canada.
16. Charges that are: Incurred for experimental or investigational treatment; in excess of the reasonable and customary amount; not medically necessary.
17. Transplants, except as covered in the benefits section.

# Renewability, exclusions and limitations

**EXPENSES NOT COVERED BY THIS POLICY.** This policy does not cover any of the following:

18. Charges for foot conditions including, but not limited to: Care of corns; bunions, except capsular or bone surgery; calluses; toenails; and foot supportive devices, including orthotics and corrective shoes.
19. Prophylactic treatment or services. Prophylactic means any surgery or other procedure performed to prevent a disease process from becoming evident in the organ or tissue at a later date.
20. Drugs prescribed for treatment of a sickness or an injury that is not covered under this policy.
21. Charges for reproductive or sexual treatment including, but not limited to: Normal pregnancy or childbirth; routine well baby care, including hospital nursery charges at birth; abortion, except as otherwise covered in the complications of pregnancy provision in the benefits section; infertility diagnosis and treatment for males and females including, but not limited to, drugs and medications, artificial insemination, in-vitro fertilization and reversal of sterilization; sterilization and drugs or devices used directly or indirectly to promote or prevent conception; genetic testing or counseling including, but not limited to, amniocentesis and chorionic villi testing; and treatment of sexual dysfunction or inadequacy.

Note: Plan limits may vary by state. Please review the back of the rate sheet for a full list of state specific exclusions.