

Supplemental Medical Expense *(Gap Medical)*

Ready for whatever life serves you.

Life is full of ups and downs. Some twists and turns are inevitable. But what would happen if out-of-pocket health expenses suddenly landed in your court? Besides the impact to your physical health, an unexpected life crisis could also affect your financial wellbeing. You might incur more medical bills or have extra expenses.

Thanks to your employer, you have access to insurance that could help fill gaps – just when you need it most. Read on to learn more about this gap protection product, why it's needed, and what it covers.

Who is Beazley?

Beazley provides a suite of gap protection products that helps protect employees against life's uncertainties. Beazley Insurance Company, Inc. is rated A by A.M. Best. It is a subsidiary of Beazley Group, which was founded in 1986.

What is Gap Medical insurance?

Like many workers today, you may now be responsible for a portion of your healthcare costs. For example, you may be responsible for meeting a deductible before your health insurance kicks in, or covering co-insurance out of your own pocket. As such, you may be concerned about those expenses taking a bite out of your budget.

Gap Medical insurance can help you guard against financial risk, by reimbursing certain out-of-pocket medical expenses for inpatient and outpatient benefits (as defined by the policy).

Note: Gap Medical does NOT replace your health insurance. But it can help fill gaps and offset medical expenses that you may have.

Why do I need Gap Medical?

A 2013 study¹ found that bankruptcies resulting from unpaid medical bills affected nearly 2 million people. Even outside of bankruptcy, 56 million adults still struggle with healthcare bills: Nearly 10 million with health insurance still accumulate medical bills they can't pay. To compensate, 15 million will deplete savings and 25 million will cut back on meds. Furthermore, less than half of households above poverty level have enough assets to cover an out-of-pocket maximum of \$3000-\$6000.²

¹ NerdWallet Health, 2013

² Kaiser Family Foundation, Issue Brief, March 2015

For plan specifics and coverage definitions, see next page.

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Gap Medical at a Glance

What is it?

- Reimburses certain out-of-pocket medical expenses for inpatient and outpatient benefits (defined by the policy).

Why should I have it?

- To fill gaps and protect your income and assets.
- To take advantage of the opportunity to select benefit options offered at work.

How does it help me?

Here's a sample scenario to demonstrate how the product can help fill gaps:

Under her major medical plan, Jill was responsible for paying deductibles and co-insurance out of her own pocket. So she enrolled in the Gap Medical plan, offered by her employer.

Jill spent 2 days in the hospital during the birth of her newborn. The plan reimbursed out-of-pocket expenses, including deductibles and co-insurance for nursery charges incurred during the hospitalization.

Later that year, the plan also reimbursed out-of-pocket expenses that her husband incurred during minor knee surgery at an outpatient surgery center.

What does the Gap Medical plan cover?

Even with your major medical insurance, you may have certain expenses that are not covered. The plan reimburses certain out-of-pocket medical expenses incurred during inpatient hospitalization and for outpatient services performed in select settings.

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What are the specific plan benefits?

The Gap Medical plan is offered Guarantee Issue. You are eligible for this coverage (regardless of your health status), and you do not have to answer any medical questions to qualify for coverage.

Gap Medical reimburses eligible expenses in an inpatient setting or an outpatient setting. See sidebar (on this page) for definitions and the grid (on the following page) for examples of eligible expenses.

Your benefit level is determined by the Major Medical PPO plan you select.

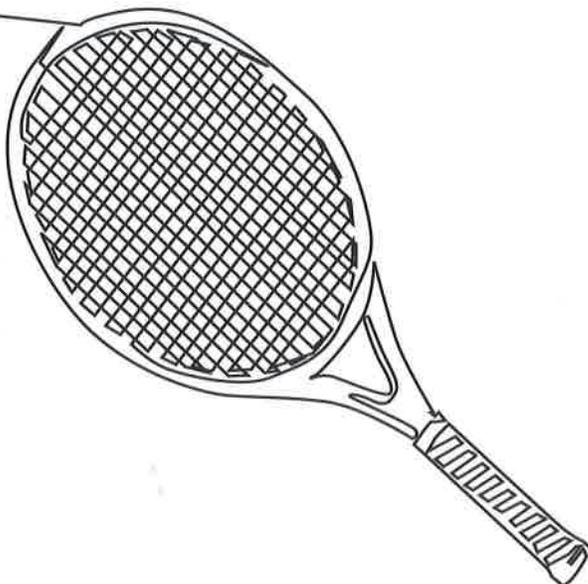
If you enroll in the **Limited PPO plan**, here is your benefit level option for the Gap coverage:

Gap Medical Benefit Levels	
with Limited PPO plan	
Inpatient Benefit	\$6,000
Outpatient Benefit	\$4,000

If you enroll in the **Partnership or Standard PPO plans**, you have the option of buying Gap Medical coverage on a voluntary (employee-paid) basis. Here is the benefit level for the optional Gap coverage:

Gap Medical Benefit Levels	
with Partnership PPO or Standard PPO plans	
Inpatient Benefit	\$2,500
Outpatient Benefit	\$1,000

If you have questions, call (800) 435-5023, ext 1



Coverage Definitions

Your plan reimburses eligible out-of-pocket medical expenses, as summarized below:

- **Inpatient Hospital Benefit:** Reimburses eligible out-of-pocket expenses (i.e., deductibles and co-insurance) incurred during inpatient hospitalization, annually up to the benefit maximum.
- **Outpatient Benefit:** Reimburses eligible out-of-pocket expenses performed in these select settings, annually up to the benefit maximum:
 - Treatment in a hospital ER (but not admitted to inpatient).
 - Surgery in a hospital outpatient facility or freestanding surgery center.
 - Radiological diagnostic testing in a hospital outpatient or MRI facility.
 - Chemotherapy or radiation therapy in a licensed facility.

For a full list of definitions, check with your plan sponsor.

Do I need to present an ID card to my provider?

At the time of service, present your Gap Medical ID card, along with your Major Medical card, to your medical service provider. This indicates that you have Gap Medical coverage that reimburses eligible out-of-pocket expenses.

To verify benefits, or for claims eligibility or other claims related questions, call the phone number that appears on the front of your ID card. To facilitate service, please have your Group ID handy when you call (it appears on the front of the ID card).

SUPPLEMENTAL MEDICAL (GAP) INSURANCE IDENTIFICATION CARD

Provided by Beazley Insurance Company, Inc.

Present this ID card (and your Major Medical card) at time of service.

Group Name: **TENNESSEE SCHOOLS**

Group #: **123456**

Insured Name: _____

Print your name on the line above

For providers:

To verify eligibility please call: **1-877-503-7064**, menu option #4.

Please include insured name and group ID number on all inquiries.

Possession of card does not guarantee eligibility for benefits.

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BEAZLEY INSURANCE CO. INC.

How do I know if expenses are eligible for reimbursement?

	Eligible Expenses	Non-Eligible Expenses
Inpatient Hospital Benefits	<p>The <i>inpatient hospital benefit</i> reimburses out of pocket expenses (deductibles and co-insurance) incurred during an inpatient hospitalization. Here are a few examples of eligible major medical services in which deductibles and coinsurance may apply:</p> <ul style="list-style-type: none"> • Hospital room and board • Inpatient surgery • Radiological imaging (X-ray, CT, MRI) • Professional fees (Surgeon, Radiologist, Anesthesiologist, etc.) • Other hospital ancillary 	<ul style="list-style-type: none"> • Drug or alcohol treatment in a rehabilitation center • Nursing Home, Skilled Nursing Facility, or Hospice Care Facility
Outpatient Hospital Benefits	<p>The <i>outpatient hospital benefit</i> reimburses out-of-pocket expenses (deductibles and coinsurance) that are incurred only in the following outpatient settings:</p> <ul style="list-style-type: none"> • Treatment in a hospital ER • Surgery in an Outpatient Facility, or Freestanding Surgery Center • Radiological diagnostic testing in a Hospital Outpatient or MRI facility • Chemotherapy or Radiation Therapy performed in a licensed facility 	<ul style="list-style-type: none"> • Physician office visits and services • X-rays and other radiological imaging in an MD office • Lab work (unless part of ER or Surgical Outpatient services) • Chiropractic services • Ambulance transportation • Preventive exams • Prescription drugs • Durable medical equipment • Outpatient therapy (such as physical therapy, speech therapy, occupational therapy or rehabilitation therapy) • Outpatient immunotherapy (such as treatment for rheumatoid arthritis or Crohn's Disease) • Catheterization (such as cardiac or urinary catheterization, unless performed as part of an emergency hospital visit (ER) or outpatient surgery) • Outpatient dialysis • EKG, EEG or ECG <p><i>Note: Not covered as radiological tests or standalone procedures. But if they were part of an eligible outpatient ER visit or surgical procedure, then they would be covered.</i></p>

Policy Exclusions

Below is a list of policy exclusions that apply for both Inpatient and Outpatient benefits:

- Any expense for which benefits are excluded under the insured's Major Medical plan
- Routine exams
- Elective or cosmetic surgery (unless due to a covered injury or sickness)
- Dental or vision services (i.e., treatment, surgery, extractions or x-rays)
- Drug addiction or dependencies
- Voluntary abortion
- Pregnancy of a dependent child
- Experimental treatment or surgery
- Rest care or rehabilitative care and treatment
- Self-inflicted injury or suicide attempt
- Procedures associated with sex changes
- Any expenses incurred during any period when the insured does not have coverage under a Major Medical plan
- Injury or sickness occurred while in the service of Armed Forces
- Injury or sickness for which the insured receives benefits under Worker's Compensation
- Injury or sickness resulting from:
 - Air travel, except as a fare-paying passenger on a commercial airline
 - Participation in a contest of speed (i.e.: power driven vehicles, parachuting, parasailing, bungee jumping, rock climbing, or any hazardous activity for exhibition purposes, etc.)
 - An act of war, or commission of a felony, or participation of a riot
 - Being intoxicated or under the influence of any narcotic (unless on advice of a Physician)

See policy (Certificate of Insurance) for full list of exclusions.

Five Points

PO Box 680325 | Franklin, TN 37068

(800) 435-5023 ext. 1 | <https://www.mybenefitschannel.com>



How do I submit a claim?

To submit a claim for your Gap Medical insurance coverage, you will need a copy of:

1. The Explanation of Benefits (E.O.B.) from your major medical plan, and
2. The itemized bill from the provider. (Note: This must be an itemized bill and not a balance bill.)

It is helpful to write the name of your employer and group number, as identified on your ID card

Submit your claim (EOB and Itemized bill), via mail OR fax:

By Mail:

Beazley
c/o HealthPlan Services
P.O. Box 3889
Seattle, WA 98124-9998

By Fax:

(813) 289-7937
Attn: CLAIMS

Claims are paid to the insured.

If you wish payment to go directly to a provider, request an assignment of benefit at the time of service from the provider; they in turn will submit the itemized bill. **You must also submit the EOB received from your major medical carrier.**



Beazley Accident & Health

8500 Normandale Lake Blvd | Suite 955 | Minneapolis, MN 55437 USA
www.beazley.com/accident&health

This policy is offered under form number AHGMM0001 052011 Ed. Benefits and range of options may vary by state. Premium will vary based on plan chosen. A waiting period for late entrants may apply. This policy is renewable at the option of the company.

The Supplemental Medical Expense (out-of-pocket) plan is not a major medical plan. The product is designed to reimburse certain covered expenses, and is only available if an employer has a major medical plan in place. Out-pocket expenses submitted for reimbursement must be eligible under the major medical plan, and must meet the coverage definitions under our policy (may not include full reimbursement, if annual plan limits have been met).

This material is not intended to be accessible in Arizona, Missouri, New Hampshire, Oregon, and Washington until any required approvals have been obtained.

The descriptions contained in this guide are for preliminary informational purposes only. Coverages will vary depending on individual state law requirements and may be unavailable in some states. The exact coverage afforded by the products described in this guide is subject to and governed by the terms and conditions of each policy issued.

Beazley includes the issuing company of Beazley Insurance Company, Inc., 30 Batterson Park Road, Farmington, Connecticut, 06032. Beazley is rated A by A.M. Best. For the most current listing of our product offerings and their availability, visit <http://www.beazley.com/accident&health>.

Beazley Insurance Company, Inc. is licensed to provide accident and health insurance in all 50 states and the District of Columbia. Administrative services on all accident and health products are provided by Health Plan Services (HPS)