



Benefit packages are a primary tool for the growth and retention of intellectual capital. Our BeniComp Select Medical Reimbursement Plan will satisfy this need by placing dollars back in the pockets of key people.

What is a Medical Reimbursement Plan?

It's a plan that allows an employer to reimburse key employees for medical and dental expenses not otherwise covered by medical or dental insurance.

What can Medical Reimbursement Insurance do for your Company?

The people who make the firm run smoothly and profitably are in great demand in today's competitive marketplace. Your company has already made a considerable investment to provide quality insurance programs and other fringe-benefit packages as incentives to keep your top people. Medical reimbursement insurance supplements benefit packages for your company.

Pan-American Life Insurance Company underwrites a policy of group insurance that will allow your corporation to institute or maintain one of the finest key employee health benefits available.

Your key employees won't have to worry about insurance deductibles or out-of-pocket expenses not covered under their current medical plans. That's something they can't get from many other firms.

How does the Medical Reimbursement Plan work?

Enrollment

- Employer completes application, submits copy of summary plan description and annual fee for each participant
- Employee completes enrollment forms

Claim Submission

- Employer submits claims on behalf of the employee along with the supplemental premium
- BeniComp adjudicates and sends reimbursement directly to the employee (via Electronic Funds Transfer)

Covered Benefits

Reimbursement is provided to participating key employees and their dependents. Some of the more common benefits are:

- ❖ Health Insurance Premiums
- ❖ Prescription drugs
- ❖ Private-duty nursing
- ❖ Hospital expenses, including private-room charges
- ❖ Dental and orthodontic expenses
- ❖ Home health care
- ❖ Alcoholism and drug-abuse treatment and facilities
- ❖ Convalescent and nursing homes
- ❖ Vision care, including all types of frames
- ❖ Inpatient and outpatient psychiatric care
- ❖ Excess expenses over the limits of present group plans, including psychiatric care
- ❖ Medical transportation, including air service
- ❖ Otologic examinations and hearing aids
- ❖ Medical supplies and equipment
- ❖ Speech therapy
- ❖ Pregnancy
- ❖ Smoking cessation classes

Generally, if an expense is medically necessary and qualifies under Section 213 of the Internal Revenue Code, it would be eligible for reimbursement under this plan.

Procedures relating to cosmetic surgery are not covered under the Medical Reimbursement Plan.

How Can Your Company Save Money?

You can maintain or add cost-containment features to your existing benefit plan while not adversely affecting your key employees.

How Can Medical Reimbursement Benefit Your Key Employees?

The Medical Reimbursement Plan protects your key employees against excessive out-of-pocket expenses that are not covered by major medical insurance programs. The plan covers deductibles, coinsurance and charges to key employees that may arise due to various limitations included in most medical group insurance policies.

Plan Description

You select the desired classification for each participating key employee from the following list of classifications and maximums. The maximum represents the maximum amount of benefit you are willing to provide to your key employees and their dependents during the calendar year.

<u>Class</u>	<u>Maximum</u>
1	\$10,000
2	\$15,000
3	\$20,000
4	\$25,000
5	\$35,000
6	\$50,000
7	\$75,000
8	\$100,000
9	\$200,000



Participants are provided an Accidental Death benefit equal to the annual reimbursement maximum, up to \$100,000. There may be certain limitations. Please review your policy for specific details.

Transfer of Risk

When the total medical reimbursement benefits for all participating key employees of an employer exceed the employer's total maximum plan liability, the insurance carrier will refund the excess.

Eligibility Requirements

The key employees and their participating dependents must be covered under an employer-sponsored group health plan or individual health policy.

The Medical Reimbursement Plan has no age limit or waiting period, and no physical examinations are necessary. The plan protects against costs that may arise from gaps in your company's standard major medical program, up to a maximum that can be as high as \$200,000 per year for each covered key employee.

What are the Tax Advantages, if Properly Structured?

- ❖ Insurance premiums may be deductible to you and non-taxable to employees
- ❖ Insurance benefits (reimbursements) may be tax-exempt to employees
- ❖ S-Corporations may be subject to different tax rules

We recommend that interested companies seek the advice of their tax counsel when considering the adoption of a medical reimbursement plan.

Why this Plan?

- ❖ **Simple add-on capability**
The plan can simply be added on to any existing insurance plan that meets eligibility requirements.
- ❖ **Flexible selectivity**
This additional benefit can be offered to as many or as few employees as you choose, subject to class qualification.
- ❖ **Competitive rates**
Premium rates for this plan are among the most competitive in the industry.

Annual Cost Fees

\$250 per employee each year

This marketing material only offers a brief description of the BeniComp Select product. Complete policy provisions and coverage are described in the policy.



To learn more about the BeniComp Select Executive Medical Expense Reimbursement Policy, contact:

Doris Hughes @ 800-837-7400 (2915)

Underwritten by:



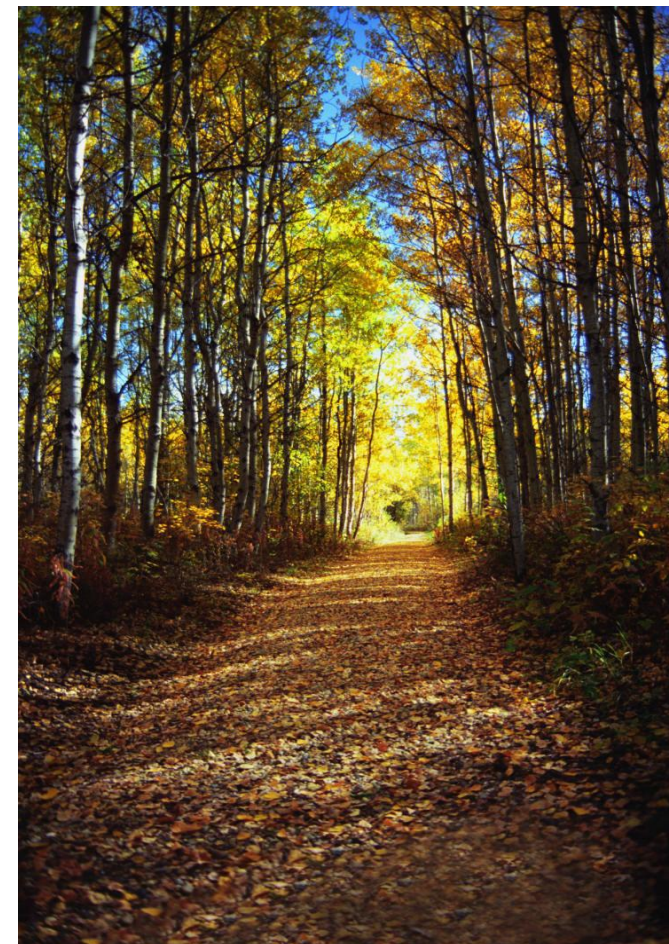
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BeniComp Select



Let BeniComp Select help you along the path to richer health care coverage for your valued employees.

To market this product, an Agent must be appointed by Pan-American Life Insurance Company.

Revised October 2011

www.benicompselect.com