



American Specialty Health Insurance Company
Home Office: Rosemont, Illinois
Main Office: P.O. Box 509002 San Diego, CA 92150-9002

POLICYHOLDER: County of El Dorado
POLICYHOLDER STATUS: Large Employer
GROUP POLICY NUMBER: 12148-00
EFFECTIVE DATE: July 1, 2011 - December 31, 2012
POLICY ANNIVERSARY: January 1, 2013
OPEN ENROLLMENT PERIOD: October 1st through October 31st of each year

In this Policy the words "We", "Us", and "Our" refer to American Specialty Health Insurance Company.

This Policy is a legal contract between the Policyholder and Us. We agree to pay the benefits of this Policy, subject to all of its terms.

The provisions on the pages that follow are a part of this Policy. The provisions of the certificates of insurance (herein called the Certificate), which is issued and applicable to persons insured under this Policy, are also part of this Policy. A copy of the Certificate that applies to each class of insured Employees is attached to this Policy.

This Policy is delivered in the State of California and is governed by its laws.

This Policy is issued in consideration of the application of the Policyholder and payment of the required premiums. It will take effect at 12:01 A.M. standard time at the Policyholder's address on the Effective Date shown above. This date is the Policy's date of issue. The County Officer or employee with responsibility for administering this Agreement is Janet Parnell, Principal Risk Management Division, or successor.

By: [Signature]
Signature of Authorized Officer

By: \_\_\_\_\_
Ray Nutting, Chairman Board of Supervisors

Title: \_\_\_\_\_
6/2/11

Date: \_\_\_\_\_

SUPPLEMENTAL GROUP INSURANCE FOR COMPLEMENTARY HEALTH CARE

NON-PARTICIPATING

This is a limited policy that provides only Chiropractic and Manual Manipulation Service benefits. Read it carefully.

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## SCHEDULE

This is an outline of the benefits available to Insureds in the eligible classes. The benefits that apply to each class are described in the Certificate for that class as shown below.

<u>Class No.</u>	<u>Certificate Coded</u>
1	Full Time Employees, Early Retirees and COBRA

**Refer to the applicable Certificate(s) for a description of the coverages and benefits that apply.**

### DEFINITIONS

A "Large Employer" is an employer that: (a) is actively engaged in business; and (b) on at least 50% of its working days during the preceding calendar quarter, employed more than fifty (50) eligible employees.

The Certificate for each class contains all other Definitions that apply to this insurance.

### CHANGES IN INSURANCE

If a change in an Insured's class, status, or earnings results in a change in his or her insurance, that change in insurance will take effect on the Date of Change shown below.

The Date of Change will be: The date the Insured's class or status changes, or his or her earnings change.

Any other change in an Insured's coverage will take effect on the later of these dates:

- (a) the date of his or her application for the change; or
- (b) the date his or her application for the change is approved by Us.

### ELIGIBILITY AND EFFECTIVE DATES

#### WHO IS ELIGIBLE -EMPLOYEES:

Subject to the Exceptions below, the following classes of persons who are enrolled in an underlying group medical health plan through the Policyholder are eligible for insurance under this Policy:

- (a) Class 1: all full-time employees of the Policyholder who are on a thirty two (32) or more hours biweekly schedule on a regular basis.

A person who is in a class shown above shall be eligible to enroll for insurance under this Policy on the latest of these dates: (a) the Effective Date of this Policy; or (b) the date he or she becomes a member of that class; or (c) the date he or she completes the following applicable waiting period, if any, for the Employee's class:

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- (a) Class 1: 60 days from hire date with the Policyholder.

The coverage provided under this Certificate is not an alternative to basic or comprehensive medical coverage.

**Exceptions:**

- (a) An employee who is not on a thirty two (32) or more hours biweekly schedule on a regular basis with his or her employer is not a "full-time" employee.
- (b) An employee whose insurance under this Policy ended because his or her employment ended (e.g., resignation, layoff) will be eligible on the date he or she resumes employment in an eligible class. But that date must be within six (6) months of the date his or her insurance ended. This does not apply in cases in which employment ended due to the employee's misconduct.

**WHO IS ELIGIBLE – DEPENDENTS:**

These are persons who are enrolled in an underlying group medical health plan through the Policyholder and are eligible for Dependents Insurance under this Policy:

Persons eligible to be Dependents are shown under the heading "Eligibility for Dependents" in the Eligibility, Effective Date, and Termination Date section of the Certificate.

A dependent who is defined in that section of the Certificate shall be eligible for the coverages and benefits which apply on the latest of these dates: (a) the Effective Date of this Policy; or (b) the date he or she becomes a dependent of the Employee; or (c) the date the Employee becomes a member of an eligible class.

**WHEN INSURANCE STARTS – EMPLOYEES AND DEPENDENTS:**

The Certificate for each class contains the complete description of when insurance starts for an eligible person in that class.

**BASIS OF INSURANCE:**

Persons in Class 1 are required to contribute toward the cost of insurance for their Dependents. They are required to contribute toward the cost of their own insurance.

**GROUP PARTICIPATION AND CONTRIBUTION REQUIREMENTS:**

-100% of the Eligible Employees enrolled in an underlying group medical health plan through the Policyholder must be enrolled for coverage under this Policy.

-The policyholder will contribute according to the modified last, best, and final agreements and negotiated MOU and/or collective bargaining agreement and /or salary and benefit resolutions.

The Employee's contribution toward the cost of insurance under this Policy may not be more than the premium charge for that insurance.

## TERMINATION OF COVERAGE

### WHEN THIS POLICY ENDS:

This Policy ends when the first of these dates occurs:

- (a) the date the Policyholder chooses to terminate this Policy by giving Us thirty (30) days advance written notice at Our Main Office; or
- (b) the date We terminate this Policy due to fraud; or
- (c) the date the Policyholder's premiums are not paid when due, subject to the Grace Period; or
- (d) the last day of the policy year in which the Policyholder Status (as shown on the Face Page of this Policy) changes; or
- (e) the last day of any Policy month if one of these happens:
  - (1) less than fifty (50) Employees are then insured under this Policy; or
  - (2) less than 75% of the Employees who are eligible for insurance under this Policy are then insured under it. (This percentage applies only if Employees must contribute toward the cost of that insurance. If not, the percentage which applies is 100%.)
  - (3) less than 100% of the Eligible Employees enrolled in an underlying group medical health plan through the Policyholder are enrolled for coverage under this Policy.

In this case, We will give the Policyholder at least thirty-one (31) days written notice before the date of termination.

If We terminate this Policy during an interval for which premiums have been paid, We will adjust the premiums for that interval by credits on a pro rata basis.

### WHEN AN INSURED'S COVERAGE ENDS:

The Certificate for each class describes when coverage ends for an Insured in that class.

## PREMIUM PROVISIONS

### PAYMENT OF PREMIUMS:

All premiums are payable by the Policyholder, in advance, at Our Main Office.

Premiums must be paid once a month, once every three (3) months, once every six (6) months, or once a year. The due date of the first premium is the Effective Date of this Policy. The due date of later premiums is the first day of the payment interval then in effect.

Certain premiums may be charged on a pro rata basis. (See "Premium Adjustments" below.) These premiums are due on the date from which the pro rata adjustment is figured.

### GRACE PERIOD:

A Grace Period of thirty-one (31) days will be granted for the payment of any premium but the first. If a premium is not paid within the Grace Period, this Policy will terminate at the end of that period. But if the Policyholder gives Us advance written notice of an earlier termination date, this Policy shall terminate as of that earlier date.

The Policyholder shall pay Us all premiums past due. This includes the premium for any time this Policy was in force during the Grace Period.

### AMOUNT OF PREMIUMS:

The amount of premium due on a due date is the sum of the premiums for each person then insured under this Policy. These premiums are based on the premium rates then in effect.

### RETURNED OR DISHONORED PAYMENT:

If a check in payment for the premium is dishonored for insufficient funds, a reasonable service charge may be charged to the Policyholder which will not exceed the maximum specified under state law. A dishonored check will be considered a failure to pay premium and coverage will not take effect in the case of the initial payment. For subsequent payments, provisions of the Grace Period will apply.

### PREMIUM ADJUSTMENTS:

A premium adjustment will be made if any of these changes takes place between due dates:

- (a) a change in premium rates; or
- (b) a change in insurance due to:
  - (1) a change in the Policy; or
  - (2) an open enrollment.

The adjustment will be figured from the effective date of the change to the next due date. We do this by adjusting the amount of premium payable on the earlier due date.

Other changes in insurance which do not need a Policy amendment may take place between due dates. For example, persons may be added or terminated, or their coverage may change due to a change in class. If such a change takes place after the first day of a Policy month, the adjustment will be figured from the first day of the next Policy month to the next due date. If the change takes place on the first day of a Policy month, the premium is figured from that date to the next due date.

**PREMIUM RATES:**

The premium rates for this Policy are determined by Us and are specified below.

We can change these rates at any time. If We do so, We will give the changed rates to the Policyholder in writing over the signature of one of Our Officers.

But, except for a change in rates due to a change in the Policy, or an open enrollment, We will not change rates: (i) during the first Policy year; nor (ii) more than once in any twelve (12) month period after that first Year.

**PERIODIC PREMIUM:**

Premium is due once a month, once every three (3) months, once every six (6) months, or once a year. The monthly periodic premium per Eligible Employee is as follows:

Coverage Tier	Monthly Premium
Employee Only	\$3.29
Employee and Spouse	\$6.58
Employee, Spouse and Dependents/Children	\$9.54

**OTHER METHODS OF FIGURING PREMIUMS**

Premiums may be figured by any other method which We and the Policyholder agree to in writing.

## GENERAL PROVISIONS

### ENTIRE CONTRACT:

The entire contract consists of:

- (a) this Policy and any papers made a part of it, including the Group Policy Application completed by the Policyholder; and
- (b) the Certificate that applies to each class of Insureds, which is attached to and made a part of this Policy; and
- (c) the written statements, if any, of the Insureds, including their enrollment forms.

In the absence of fraud, all statements made by the Policyholder or by the Insureds will be deemed to be representations and not warranties. No statement made by an Insured will be used to avoid insurance, reduce the benefits, or defend a claim under this Policy unless:

- (a) the statement is in writing and signed by the Insured; and
- (b) a copy of that statement is given to the Insured or to his or her beneficiary.

### POLICY CHANGES:

This Policy may be changed at any time by written agreement between the Policyholder and Us. But the change must be approved by one of Our executive officers. No agent has the authority to change this Policy, or any Certificate issued under it, in any way or to waive any of its terms.

### MISSTATEMENT OF AGE:

If the age or date of birth of an Insured has been misstated, his or her true age will be used to determine: (1) his or her amount of insurance; (2) the date insurance starts or ends; and (3) any other rights or benefits under this Policy. Premiums will be adjusted so that We will receive the correct premiums for the true age.

### CERTIFICATES AND COVERED PERSON MATERIALS:

We will provide the Policyholder with a master copy of all covered person materials in an "electronic" (PDF) format and or hard copy (with the exception of ID cards, which may be delivered in hard copy). Policyholder will be responsible for distributing such covered person materials to each insured Employee and, in the case of pre-enrollment materials, to each Employee, as appropriate. Policyholder may distribute covered person materials by e-mail attachment or by printing and distributing hard copies. If Policyholder uses e-mail distribution, Policyholder will print and distribute hard copies of covered person materials to Employees who do not have reasonable access to e-mail. Policyholder will provide Us with confirmation that the materials have been delivered as required. "Covered person materials" include, but are not limited to, the Certificate, disclosure forms, notices of changes to the Certificate, directories of contracted providers, and other notices as may be furnished by Us (such as Notices of Privacy Practices). Policyholder will be responsible for promptly distributing to covered employees any notices of cancellation provided by Us and must provide Us with proof of such mailing and the date thereof. The Certificate will describe: (1) the coverage the Employee has; (2) any limitations, reductions, and exclusions that apply to the coverage; and (3) to whom the benefits will be paid. For an additional charge, We can deliver the covered person materials directly to the Insured.

### INCONTESTABILITY:

We will not contest the validity of this Policy after it has been in force for two (2) years from its date of issue.



**DATA REQUIRED FROM POLICYHOLDER:**

We need certain data to carry out the terms of this Policy and to determine the premium. The Policyholder shall give Us the data We need to do this whenever We need it. Information is required when an Eligible Employee and his or her Eligible Dependents becomes covered, when changes in amounts of coverage occur, and when a covered person's coverage terminates. Policyholder will supply updated address and contact information for Eligible Employees and Dependents annually and as appropriate. We also have the right to inspect the payroll and any other records of the Policyholder, if We believe they would have a bearing on this Policy. We have the right to do this at any reasonable time.

Policyholder shall make access to Group Policy available during reasonable hours to Insureds upon their request.

**NON-PARTICIPATING:**

This Policy does not participate in Our profits or surplus earnings.

**CONFORMITY WITH APPLICABLE LAW:**

Any provision of this Policy that, on its effective date, is in conflict with the law of the state where it is delivered, is hereby amended to conform to the minimum requirements of such law.

**CLERICAL ERROR:**

A clerical error on the part of the Policyholder or Us will not:

- (a) deprive a person of the insurance he or she is entitled to under this Policy; or
- (b) cause insurance to continue beyond the date on which it would reduce or end.

If such an error is discovered, a fair adjustment of premiums will be made. We reserve the right to limit retroactive coverage to two (2) months preceding the date the error was reported. Any premium refund will be reduced by any payment made for claims. If claims paid exceed the premium refund, the Policyholder shall reimburse Us for the overpayment.

**WORKERS' COMPENSATION:**

This Policy does not take the place of or affect any requirement for coverage by Workers' Compensation Insurance.

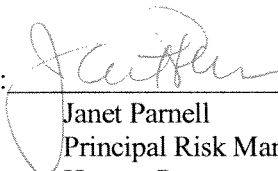
**ASSIGNMENT OF POLICY:**

This Policy may not be assigned.

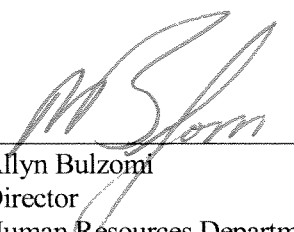
**Administrator:** The County Officer or employee with responsibility for administering this Agreement is Janet Parnell, Principal Risk Management Analyst, Human Resources, Risk Management Division, or successor.

**Entire Agreement:** This document and the documents referred to herein or exhibits hereto are the entire Agreement between the parties and they incorporate or supersede all prior written or oral Agreements or understandings.

**Requesting Contract Administrator Concurrence:**

By:  \_\_\_\_\_ Dated: 6-21-2011  
Janet Parnell  
Principal Risk Management Analyst  
Human Resources Department, Risk Management Division

**Requesting Department Head Concurrence:**

By:  \_\_\_\_\_ Dated: 6/21/11  
Allyn Bulzoni  
Director  
Human Resources Department