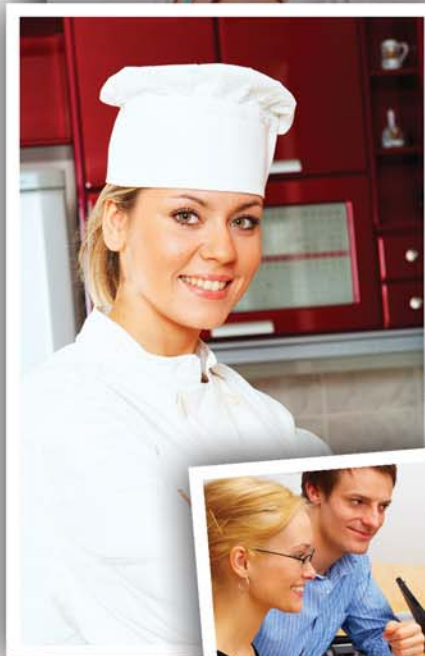


IAC Group Health Plans

Simple Solutions for Small Group Employers

Fully insured medical insurance
for 2 - 50 employees



Administered and Marketed by:

 **Insurers Administrative
Corporation**
Independence Holding Group

IAC Group Health Plans 0808



Simple Solutions for Small Group Employers

Employers want a cost-effective health plan without sacrificing quality coverage.
Employees want reliability and flexibility at an affordable rate.

IAC Group Health Plans are the right fit.

- Variety of insurance plans offering traditional to forward-thinking solutions
- Customization options to meet varied needs and budgets
- Choice of prescription drug benefits
- More than 70 PPO networks

You may not recognize our name, but our reputation speaks volumes.

Insurers Administrative Corporation (IAC) was founded in 1978 by a health insurance agent—someone who understood the challenges facing agents and employer groups, and who was committed to building a successful business based on relationships and personal service.

In 2006, IAC was acquired by Independence Holding Company (NYSE: IHC), a well-respected, financially secure insurance organization that is changing the face of the health insurance industry. Today, the IHC Group has:

- One million customers
- Thousands of qualified agents nationwide
- Three carriers rated "A-" (Excellent) by A.M. Best
- More than 25 years of life, health and stop-loss insurance experience

Innovative
plan designs.

Competitive
pricing.

Personal
service.

Dependable
administration.

This is the foundation for the IAC Group Health Plans.

We welcome the opportunity to earn your business.

Choose From Five Plan Designs

Traditions Plan

- Most comprehensive plan
- Offers the lowest out-of-pocket options for your employees

Advantage Plan

- Provides lower premiums without sacrificing benefits
- Employs two separate out-of-pocket maximums to achieve reduced premiums: one for medical services and supplies, and a second for outpatient surgical services and inpatient confinement

Saver Plan

- Creative use of copays, coinsurance, and deductible help make benefits economical
- An affordable option for employees that prefer the predictability of copays

Daily Plan

- A smart health plan designed to keep premiums low without exposing employees to high deductibles
- In-network covered charges that exceed the daily deductible amount on any given day are covered at 100%

High Deductible Health Plan

- A consumer-directed health plan that offers lower premiums and all of the tax advantages of a Health Savings Account (HSA)
- Achieve premium savings through in-network 100% coinsurance with a single deductible, or choose the in-network 80% coinsurance option for even greater premium savings

See separate plan overviews for details and prescription drug options.



Employee Choice

Sometimes one plan doesn't fit all. Create up to three plan variations and let your employees choose the coverage that best fits their needs.

If your group has less than 10 employees, you can create up to three variations of one health plan or add an HSA-qualified plan. Groups with 10 or more employees can select up to three different health plans, including an HSA-qualified plan.

Consumer-Directed Options

Offer your employees a way to help pay for their health care expenses by adding a Health Savings Account or Health Reimbursement Arrangement. Use our administration or choose your own administrator.

Health Savings Account

Pair the High Deductible Health Plan with an HSA and offer the latest in consumer-directed health care.

Benefits to you

- Insurance premium savings through the HSA-qualified high deductible health plan
- Tax deductions on contributions made to your employees' accounts
- Improve employee satisfaction by helping pay for their qualified health care expenses

Benefits to your employees

- Through a tax-free savings account, employer money is used to pay for qualified medical expenses
- Deposits of employee money can be made before taxes; after-tax deposits are deductible
- Online banking and 24-hour customer service

How it works

- IAC automatically arranges the establishment of an HSA for each enrolled employee
- You and/or your employees can make pre-tax deposits into the account
- Debit cards and/or checks are used to pay for qualified medical expenses

Health Reimbursement Arrangement

Any plan in the IAC Group Health Plans portfolio can be coupled with an HRA.

Benefits to you

- Reimbursements made to your employees are tax-deductible
- Pledged money is only needed when the expense is incurred; unused pledges remain in your operating account
- You decide which medical expenses qualify for reimbursement and what happens to unused pledges, subject to IRS guidelines

Benefits to your employees

- Employer money is used to reimburse employees for qualified medical expenses
- No claim or reimbursement paperwork necessary; automated claims process reimburses the employee directly

How it works

- After an employee's claim is received by IAC, our HRA administrator notifies you that funds are needed to process the reimbursement
- A reimbursement check is sent directly to your employee for the qualified expense

Covering More Than the Basics

IAC Group Health Plans automatically include these benefits and services:

Mammography and Routine Cervical Cytologic Screening (Pap Smear)

Covered at 100% for all plans; not subject to the deductible and coinsurance or copay

Child Wellness Screening

Covered on all plans; subject to the deductible and coinsurance, and copay if applicable, depending on the plan selected

Prostate and Colorectal Cancer Screening Services

Covered on all plans; subject to the deductible and coinsurance, and copay if applicable, depending on the plan selected

Optum® 24-Hour NurseLine

Provides 24/7 telephone access to registered nurses for guidance with treating various health-related conditions

Personal Wellness Profile

This online tool takes lifestyle and health factors into consideration, and provides recommendations for health enhancement

MyHealthCompass™

A health care tool that provides pricing and quality-of-care comparisons for medical services performed in various cities, states or regions

Access to Chiropractors and Alternative Medicine*

Members receive a 25% discount on provider services through the American Specialty Health alternative health care network of nearly 20,000 credentialed providers

*DISCLOSURE:

1. THIS PLAN IS NOT INSURANCE.

2. The plan provides discounts at certain health care providers for medical services.
3. The plan does not make payments directly to the providers of medical services.
4. Plan members are obligated to pay for all health care services but will receive a discount from those health care providers who have contracted with the discount medical plan organization.
5. Discount Medical Plan Organization and administrator: **Careington International Corporation**, 7400 Gaylord Parkway, Frisco, TX 75034; telephone 800-441-0380.

Note to Texas Consumers: Regulated by the Texas Department of Licensing and Regulation, P.O. Box 12157, Austin, Texas 78711; telephone 800-803-9202 or 512-463-6599; Web site: www.license.state.tx.us/complaints.

Note: This program is not available in Vermont and Montana.

Medical Care by Telephone

Offered with all IAC Group Health Plans, TelaDoc is changing the way people access medical services. Your employees can now receive a telephone consultation with a doctor 24/7 when they need non-emergency medical care.

TelaDoc is ideal for those times when employees:

- Cannot reach their primary physician
- Are on vacation or a business trip
- Have a recurring prescription that needs to be filled and don't have time to go to their doctor's office (short-term refills only)
- Have any medical questions or concerns and want to speak with a doctor



These are just some of the benefits of using TelaDoc:

- On-demand access to health care 24/7
- Consultation with physicians who diagnose medical problems and prescribe medication when appropriate
- Low cost to employees - only \$35 per consultation
- Access to a physician within three hours or the consultation is free
- Resolution of most minor routine medical issues from any remote location



- TelaDoc is not an insurance benefit.
- Prior to using TelaDoc the first time, employees complete a brief medical history disclosure.
- TelaDoc does not replace your primary care physician. TelaDoc is available when your physician is not.
- Services are available to employees and their dependents age 12 or older.
- TelaDoc consulting physicians do not prescribe DEA-controlled substances.
- TelaDoc is not available to residents of or in the state of Oklahoma.

Optional Enhancements

In addition to the insurance benefits and services included with your IAC Group Health Plan, these optional benefits are available:

Dental - No waiting periods; see separate brochure for details

Your employees can get immediate insurance coverage for basic and major services with IAC Group Dental Plans!

Vision - Choose from two plan designs; see separate brochure for details

Offer your employees vision insurance coverage. Includes exams, lenses and frames at thousands of participating providers.

Optional Wellness Benefit¹

Routine physical exams, flu shots, child wellness screening and immunizations, colorectal and prostate cancer screening are covered at 100% up to \$350, \$500 or \$1,000 per insured per calendar year after a \$35 copay. There is no waiting period and both in- and out-of-network covered services are included!

Supplemental Accident Coverage¹

Choose a \$500, \$1,000 or \$2,000 per accident benefit amount for your employees. Benefit applies to both in- and out-of network covered services.

Maternity Coverage^{1, 2}

Provide a more complete health plan for your employees by adding maternity services. Covered charges include treatment, hospital expenses, nursery charges, cesarean section delivery and more.

Life Insurance and Accidental Death & Dismemberment¹

Enhance your employees' health plan with life and AD&D insurance. Available options range from \$10,000 to \$100,000 of coverage.

24-Hour Occupational Coverage¹

Get protection against work-related injuries and sickness. Available to eligible business owners, sole proprietors or corporate officers that are not required and have elected not to be covered under Workers' Compensation.

¹ See the health plan Certificate of Coverage, Schedule of Benefits and riders for additional details.

² This benefit is available based on the number of employees enrolling for coverage and applicable federal and state regulations.

Health Empowerment Package

Encourage your employees to take charge of their well-being by offering this optional package of low-cost, high-value services!

Optum® Care24SM

This resource offers access to master's-level counselors, attorneys, financial advisors and dependent-care resources. Using Care24, members can address parenting challenges, relationship and marriage problems, work-related stress, addictions, dependent-care concerns and more. Members also have access to legal consultations and financial advisors.

TravelGuard

Travel worry-free with TravelGuard! When traveling more than 100 miles away from home and faced with a serious injury, illness or travel-related emergency, TravelGuard assists members with emergency services such as medical transportation, emergency message relay, travel document replacement, legal referrals, security and evacuation assistance.

Members also enjoy concierge services like flight re-booking, pre-trip travel advice, ground transportation and translation services.

Weight Watchers®

Weight Watchers offers a multidimensional, comprehensive way to learn how to achieve and maintain a healthy body weight for life by incorporating healthful eating, physical activity, behavior modification, a weight-maintenance phase and group support. Members can choose from Local Meeting vouchers, an online subscription or the Deluxe Edition At-Home Kit at a savings of more than 20 percent!

AskAFS Financial Counseling

AskAFS provides members with personal, private and actionable solutions to their financial concerns through a confidential counseling helpline, online assistance and on-site seminars. AskAFS services include assistance with budgeting, taxes, savings and retirement planning, eldercare, home ownership, mortgages and bankruptcy debtor education.



These services are not insurance benefits.

Outpatient Prescription Drugs

Options for any Budget

IAC Group Health Plans automatically include a Discount Drug Program through Express Scripts pharmacies. If you prefer to offer your employees coverage for prescriptions, a variety of optional upgrades are available.

Mail Order, Telephonic and Internet Prescription Drug Purchases

If you select an optional prescription drug benefit, your employees can purchase up to a 90-day prescription supply through Express Scripts for the cost of a 60-day supply.

See separate plan overviews for details.

Online Convenience

We make it easy for your employees to access information about their health plan benefits anytime by visiting www.iacusa.com. Using our convenient Web tool, they can:

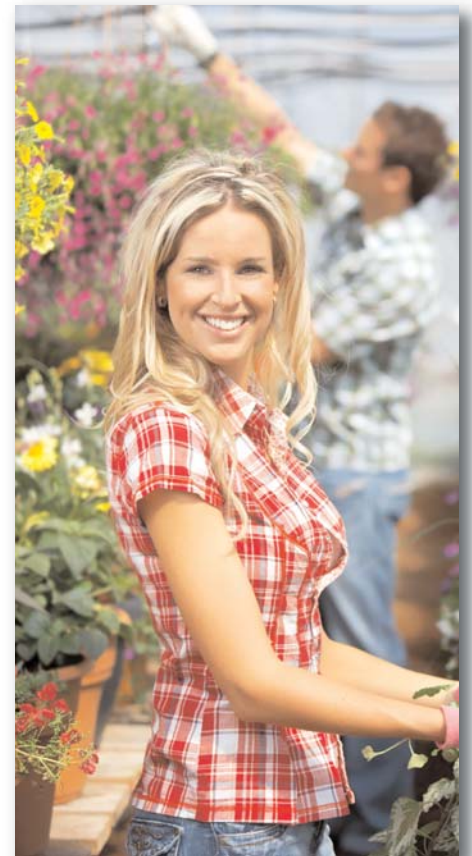
- View claim payment status including an Explanation of Benefits
- Request a new health plan identification card or a certificate of creditable coverage
- Submit name and address changes

PPO Networks

Choice. IAC Group Health Plans lead the way.

IAC Group Health Plans provide access to more than 70 regional and national PPO networks. Your employees can benefit from lower out-of-pocket costs when they receive covered services from an in-network provider.

Additionally, discounted services are available through the PHCS Healthy Directions network (Private Health Care Services) for those times when your employees are traveling outside their state of residence.



Limited Major Medical Benefits

Non-Surgical Back Treatment

Includes benefits for non-surgical back treatment, including treatment by a chiropractor, covered same as any other illness up to \$1,000 per insured per calendar year.

Home Health Care

After the deductible has been met, the policy will pay covered charges at the selected coinsurance up to 60 visits per insured per calendar year.

Occupational, Physical and Speech Therapy

A combined total of 60 treatments for occupational therapy, physical therapy and speech therapy, with a maximum of 30 treatments per insured per calendar year for any single therapy.

Hospice Care

The plan will pay 100% of covered hospice care services for up to six months; deductible applies for High Deductible Health Plan.

Specific Organ Transplants

Centers of Excellence providers:

Covered transplant services are paid up to \$2 million lifetime maximum benefit. Also included is a travel expense allowance of up to \$5,000 for one companion, or two companions if the insured recipient is a minor.

In-network providers:

Covered transplant services are paid subject to a lifetime maximum benefit of \$400,000.

Out-of-network providers:

Covered transplant services are paid subject to a lifetime maximum benefit of \$200,000.

Skilled Nursing Facility Care

The plan will reimburse eligible covered medical expenses at the selected coinsurance as follows:

- Up to \$100 per day
- Up to 60 days per insured per calendar year

Mental and Nervous Conditions, and Chemical Dependency

The combined inpatient and outpatient lifetime maximum benefit is \$10,000 while insured.

Outpatient mental and nervous or chemical dependency:

- Paid at 50% coinsurance after deductible; additional in-network \$40 copay applies on the Saver Plan
- Limited to \$50 maximum benefit per day, up to 25 per insured visits per calendar year, up to \$1,250 per insured per calendar year
- For all plans except the High Deductible Health Plan, charges do not accumulate to the plan's maximum out-of-pocket amount

Inpatient mental and nervous:

- Applicable copays, deductible and coinsurance apply
- Maximum of 10 inpatient days, up to \$2,500 per insured per calendar year

Additional Provisions

Pre-certification Requirements

Pre-certification is a screening process that uses established medical criteria to determine whether a proposed length of an inpatient hospital confinement, a proposed treatment plan, or proposed services and supplies are medically necessary and appropriate.

Failure to pre-certify when required will result in an additional deductible amount of \$500 per occurrence. If the specified prescription drugs are not pre-certified, no benefits will be paid.

Pre-certification is not a guarantee of benefits.

Pre-existing Conditions

A pre-existing condition is a condition, whether physical or mental and regardless of cause, for which medical advice, diagnosis, care or treatment was recommended or received within the six-month period ending on the enrollment date of the insured person. A pre-existing condition will not be covered for a period of 12 months after the enrollment date.

Pre-existing Condition Limitation Credit

An insured person who has creditable coverage, as defined in the Health Insurance Portability and Accountability Act (HIPAA) or state law, to a date no more than 63 days (or more if required by state law) prior to the enrollment date under this policy will be given credit for the full or partial satisfaction of a pre-existing condition limitation waiting period by such creditable coverage. The pre-existing condition limitation waiting period will be reduced to the extent of the insured person's prior creditable coverage.

Eligibility Requirements

Coverage under the IAC Group Health Plans portfolio is available to eligible employers, their eligible employees and the employee's eligible dependents as follows:

Employers who meet participation and contribution requirements and employees who work a minimum of 30 hours per week for at least nine months a year and are compensated regularly via wage or salary subject to FICA and federal income tax withholding. Full-time partners or proprietors of an employer and new employees are also eligible. Seasonal or temporary employees are not eligible.

Dependents include a lawful spouse, unmarried children less than age 19 or until 25 if a full-time student at an accredited college, vocational or high school.

Additional Provisions

Premium Rates and Rate Guarantee

The insurance company has the right to determine the premium rates available to new participating employers, in accordance with applicable state rating laws.

Each employer who is accepted for group coverage under the group insurance policy has an initial six-month or 12-month rate table guarantee.

Premiums may change during an initial rate table guarantee period if:

- The employer adds or deletes employees
- The employer moves to another geographic area
- The employer modifies the plan of benefits
- The benefits change due to new state or federal rules or regulations

Renewability of Coverage

The coverage will renew on a monthly basis at the employer's option, except for the following reasons:

- Non-payment of premiums
- Fraud or misrepresentation of or by the employer, or with respect to coverage of an insured; fraud or misrepresentation by the insured or such person's representative
- For failure to maintain employee or dependent participation or contribution requirements
- The insurer lawfully discontinues offering coverage subject to state guidelines under the policy or lawfully discontinues offering all health insurance in the small group market in the state where the employer originally obtained coverage (subject to giving the employer notice)

Termination of Benefits

An employee's insurance automatically terminates on the earliest of the following dates subject to state and federal regulations:

Termination of the policy; the insured employee or employer fails to make the required premium contribution; the insured employee enters the armed forces of any country, state or international organization; the last day of the month in which the insured no longer meets the eligibility criteria; the insured employee's employer ceases to be an insured employer under the policy

A dependent's insurance terminates on the earliest of the following dates:

The employee's coverage terminates; the dependent enters the armed forces of any country, state or international organization; the dependent child no longer meets the dependent eligibility criteria established in the policy

A dependent spouse's coverage terminates on the premium due date following the date of divorce or legal separation.



IMPORTANT INFORMATION

Life Insurance and Accidental Death and Dismemberment (AD&D) Benefits Exclusions and Limitations

Life Insurance: No benefit will be paid when loss is due to suicide while sane or insane during the first 12 months from the insured person's effective date.

AD&D: Benefits are payable for specific covered losses if the loss occurs within 90 days following the date of the accidental bodily injury. Benefits are not payable for any loss caused directly by intentionally self-inflicted injury or suicide. Refer to the Term Life Insurance Benefit Rider for a complete listing of the AD&D benefits, limitations and losses not covered.

Prescription medication benefits are not payable for contraceptive devices; medications or other agents to increase or enhance fertility or the likelihood of conception; medications purchased outside the United States; and speciality drugs unless pre-certified when required. Refer to the Prescription Medication Benefit Rider for a complete listing of the benefits, limitations and drugs not covered.

Information included in this brochure is an outline of features, plan provisions, benefits and other information about the IAC Group Health Plans. It is not a contract and it is not intended to serve as legal interpretation of benefits, which are provided under the Master Group Policy issued to the Multiple Unit Security Trust in Mississippi (Trust membership not required in Pennsylvania). The exact provisions governing the health insurance contract are contained in the Master Policy underwritten by Standard Security Life Insurance Company of New York; Policy form #SSL MMP 0205; Policy #SSLGHP0608. The Policy's provisions, benefits, exclusions or limitations may vary by state. These health plans may be subject to change and may not be available in every state. Check with your agent for availability. Certain terms and conditions apply. Any provision of these plans that is in conflict with applicable state law is hereby amended to meet the minimum requirements of such law.

For complete details about the IAC Group Health Plans, please refer to the Certificate of Coverage SSL MMC 0205 and separate benefit riders.

Vision coverage is underwritten by Fidelity Security Life Insurance Company, Kansas City, Missouri. For details on vision benefits, refer to Certificate of Coverage form # C-9004 and Policy numbers VC-37, and VC-20.



Insurers Administrative
Corporation

Independence Holding Group

IAC Group Health Plans



Insurers Administrative Corporation (IAC), a member of the IHC Group, is a leading administration and marketing organization in the fully insured, partially self-funded and international markets. Established in 1978, IAC specializes in small group major medical (2 - 50 lives), individual and family major medical, short-term medical, dental and other insurance products.



Standard Security Life Insurance Company of New York is the insurer for health, dental, life, accidental death and dismemberment benefits described in this brochure.

Standard Security Life Insurance Company of New York, a member of the IHC Group, is rated A- (Excellent) by A.M. Best Company, a widely recognized rating agency that rates insurance companies on their relative financial strength and ability to meet their obligations to their insureds.



The IHC Group is an insurance organization comprised of Independence Holding Company (NYSE: IHC), its operating subsidiaries and affiliates. With more than \$1.3 billion in assets, the IHC Group serves more than one million customers through its operating companies, which include three A- (Excellent) A.M. Best-rated insurance carriers, third-party administrators, managing general underwriters and marketing organizations. The IHC Group has been providing life, health and stop-loss insurance solutions for over 25 years.

Services provided by TravelGuard, Optum®, Weight Watchers®, AskAFS, Express Scripts, personal wellness, LabOne, MyHealthCompass™ or TelaDoc® are not insurance benefits and are not underwritten by Standard Security Life Insurance Company of New York or Fidelity Security Life Insurance Company. Information contained herein regarding the advantages of an HSA or HRA should in no way be construed as providing legal or tax advice. Always consult your tax or legal advisors with any questions about tax or legal matters. Please consult your insurance producer when selecting an HSA custodian. Refer to Internal Revenue Code (IRC) Section 213(d) for a complete list of eligible expenses and maximum contributions. In addition, the HSA or HRA is not an insurance product and is not provided, administered or guaranteed by Standard Security Life Insurance Company of New York or Fidelity Security Life Insurance Company. IHC assets and number of customers as of 6-30-08.