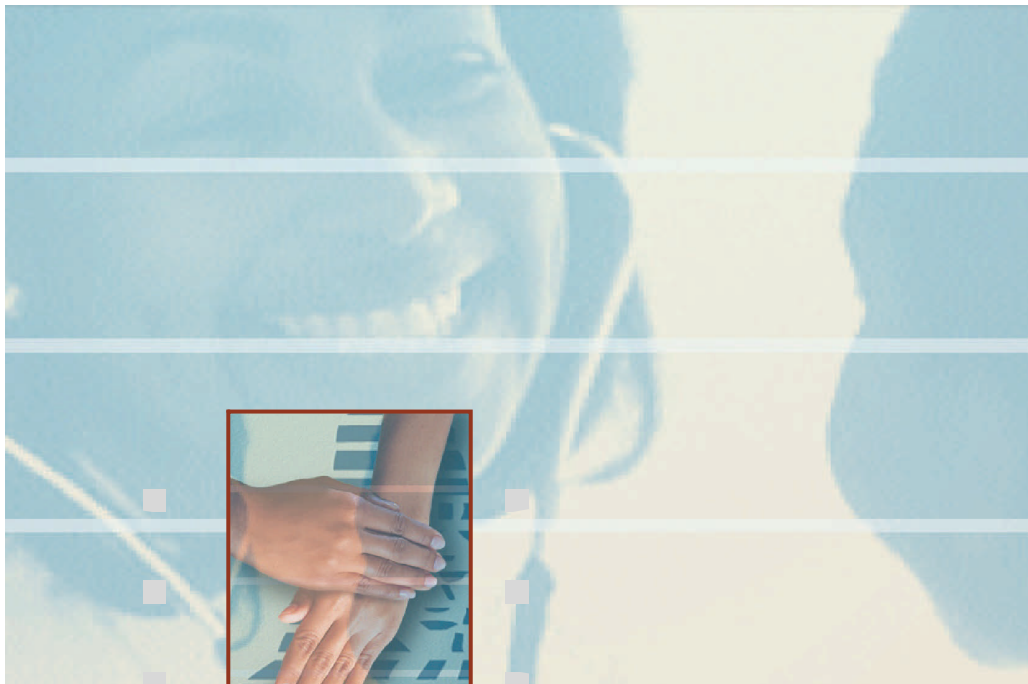


PROPOSAL for

Bermuda Bar Association



Our philosophy is simple: deliver a cost effective, easy-to-use, comprehensive health package that supports client choice and fosters wellbeing.

Group Health Insurance
20 April 2010



Section A

Colonial: a major regional provider of group benefits

The Colonial Group of Companies

Colonial Medical is an innovative company focused on providing the best in managed healthcare that meets the needs of our clients. We are part of the Colonial Insurance Group – a prominent composite insurance company offering a full range of insurance products through our companies in Bermuda, Bahamas, Cayman Islands, and the British Virgin Islands. The Group’s performance and stability has been recognized by AM Best with an A- (excellent) rating.

Our goal is to deliver the best insurance products to our clients in a cost-effective and service oriented manner. We accomplish this through our focus on underwriting and administrative excellence in Health, Pensions, Property and Casualty, Life and Financial Services. The Group’s Medical Companies process a total volume of approximately 300,000 claims annually and have a total of approximately 50,000 insureds.

A winning combination: our client-focused approach backed by highly trained staff and state-of-the-art technology



Colonial Medical is a progressive, forward-thinking organization. We are well positioned to deliver comprehensive health benefits packages through our Premier Health line of products:

- Group Health
- Vision
- Dental
- Group Life
- Group AD&D
- Income Replacement
 - Short Term Disability
 - Long Term Disability

A progressive, forward thinking organisation

Our solid reputation in Bermuda is a result of our proven track record of client satisfaction. We offer:

- comprehensive, flexible, worldwide medical coverage with the freedom to choose when and where you access care;
- access to the top medical facilities through our established preferred provider networks in the US, Canada and the UK;
- 24hr/7day worldwide assistance in case of medical emergencies;
- a professional customer service department dedicated to providing assistance on issues or concerns that may arise;
- market-leading claims turnaround time averaging 3-5 working days;
- a strong preventative care program.

A health plan focused on your needs

Our philosophy is simple: deliver a cost effective, easy-to-use, comprehensive health package that supports client choice and fosters wellbeing.

Section A

Services and Overseas Care



Services and Benefits

Seamless co-ordination of benefits

With Colonial Medical, there is seamless co-ordination of benefits for employers, their employees, local providers and worldwide care. Access to the finest healthcare in the world is delivered by First Health, the largest independent network provider in the US. Those members that would prefer the UK or Canada have access to BUPA hospitals and our Canadian network. Additional benefits include:

- worldwide emergency cover with 24 hour, 7 day support
- Nurse on Call provides information to general health inquiries 24 hours, 7 days a week
- The ID card provides immediately recognized acceptance, with no deposit required for Network services
- employee benefits guide and schedule of benefits are designed to provide a user-friendly understanding of the benefits and how they operate



Worldwide Access

Our relationship with First Health ensures that you will receive personal and direct access to the finest credentialed healthcare providers in North America. The Network features top hospitals, as well as those providers and facilities favored by Bermudians. These include:

- Johns Hopkins, Massachusetts General, Brigham & Women's, Dana Farber Institute, Beth Israel, Lahey Clinic, Emory, Mount Sinai, New York Cornell, and the University of Virginia.

In every aspect of our business, technology serves to assist efficient and cost effective administration. Further cost controls are effected through the use of the US Network and agreed contract rates with local providers, and we also have the ability to negotiate discounts with non-contracted providers.

US admissions are handled through a toll free number available in the USA and the Caribbean. Our Canadian partners in Toronto handle worldwide emergencies.

Given the strength of our Network, you can be confident that you will not only have access to world class facilities, but that care will be close by. We are constantly expanding our network to include new providers and regions.

Access to some of the world's finest health care

24 hour, 7-day support is available for a range of services

Truly global coverage



Section A

Off Island & On Island Benefits

Off Island - Network Care

There are over 4,100 hospitals and 410,000 physicians in our network. We support our clients' right to choose the care that meets their needs. Therefore, individuals insured under our program can receive treatment anywhere in the world *without* a referral letter from a local physician. Access to overseas care commonly works in two ways:

No coinsurance or deductibles for eligible network care

The choice to use network care, with medical costs paid at 100%

- If you are referred overseas by a local physician for treatment that is not available locally and use our Network, your *medical costs will be paid in full*. Airfare and accommodation will be covered up to the maximum allowed under the plan.
- If you elect to go overseas for treatment that is available locally and use our network, then we will extend the benefit to *fully cover all of the medical costs*. However, airfare and accommodation will not be covered.

Off Island - Out of Network Care

Medical treatment accessed outside the network, regardless of whether it is a medical referral or elective, will be subject to co-insurance and deductibles. The co-insurance is up to a limit of \$2,000 and the deductible is \$200. These are only applied when overseas treatment is sought at a non-network facility. Once you have met these out-of-pocket expenses in a calendar year, Colonial Medical will pay 100% of your eligible expenses.

On Island Care

Locally, most of the services are paid at 100% of Reasonable & Customary fees subject to the limitations on the available schedule of benefits.

Our On Island benefits are structured to support a continuum of care needs – from prevention to critical care. Among other things, we:

We sponsor a strong preventative health program

- Encourage annual general health exams
- Support a strong preventative care program through annual mammograms, PSA, PAP test, Occult blood tests, etc. – all paid in full according to the relevant fee schedule.
- DO NOT place deductibles or coinsurance on local care



Section A

Customer Service & Claims Management



Dedicated to giving you the care you deserve

Customer Service

Quality service is an absolute requirement of companies operating in island communities where word of mouth reputation is paramount. Colonial Medical has made significant strides in ensuring that we provide the best in service.

We have a dedicated customer service department. The purpose of this department is to anticipate potential problems as well as to deal with specific inquiries in an empathetic, friendly manner.

Toll-free customer care

Customer service representatives are available during regular office hours, and can be contacted through our new 1-800 number from anywhere in the world. This is complemented by 24/7 toll free service from First Health for US admissions and medical advice. Worldwide assistance is also provided on a 24/7 basis from Canada.

Claims Response

Our state of the art claims processing system is a comprehensive system for the adjudication of hospital, medical, dental, vision, and pharmacy claims. This system has enabled our highly trained claims staff to deliver market-leading claims response service – averaging 3 to 5 working days.

Acknowledged for the fastest claims response in Bermuda's highly competitive market

Cost Controls

By controlling administration costs, and exercising our purchasing power to negotiate special rates with service providers, we are able to deliver outstanding benefits at a competitive price. We set fair premiums so as to minimize any rate increase at renewal. Historically, our average rate increases have been pegged at levels well below competitor plans. In like-for-like benefits, *Premier Health* is the most cost-effective plan available.

A cost-effective plan that works for you

A History of Innovation

At Colonial Medical, we work as a team to continue to deliver benefits and services that meet our clients' evolving needs.

- We were the first company on the island to have a Nurse on staff.
- We initiated the prescription program through local pharmacies.
- We will continue to pave the way with new benefits and services.



Section B

Dental and Vision Care

BASIC and COMPREHENSIVE DENTAL BENEFITS

DENTAL The Basic dental plan covers the insured for routine and frequent dental procedures. The Comprehensive dental plan covers the complex and more expensive dental procedures. Comprehensive Dental encompasses the Basic dental plan plus Restorations and Orthodontics. Basic and Comprehensive dental benefits are as follows:

A choice of plans

- **Maximums**
 - \$3,000 per insured per calendar year.
 - \$3,000 lifetime maximum for orthodontics per insured.
- **Coinsurance**

Basic dental reimbursed at 100% up to the fees set by the Bermuda Dental Association. Restorations are reimbursed at 80% up to the maximum of \$3,000 per insured per calendar year. Orthodontics are reimbursed at 50% up to the maximum of \$3,000 per lifetime. We only pay once for braces to correct teeth alignment.
- **Basic Dental Benefits**

Routine examinations (once every 6 months), X-rays, Filings, Extractions, Oral surgery, Cleaning & Scaling (once every 6 months), Fluoride treatment, Space maintainers & retainers, Rebasing & relining of Dentures, Periodontal treatment of gums, Root canals.
- **Restorative Benefits**

Inlays, Crown, Bridges, Bridge Repair, Dentures, Denture Repair.
- **Orthodontic Benefits**

Braces for teeth alignment (children and adults).

VISION CARE BENEFITS

VISION The vision care plan reimburses the insured and covered dependants for expenses incurred for purchasing frames, lenses, eyeglasses, and contact lenses. This plan reimburses only for eyeglasses or contact lenses that are purchased by prescription and which are intended to correct the vision of the insured.

*No deductible,
100% reimbursed*

- **Coinsurance**

100% reimbursed up to the maximum benefit.
- **Maximum Benefit**
 - \$400 per calendar year per insured for covered benefits.
 - 100% reimbursed up to the maximum benefit.
- **Covered Benefits**

Frames, lenses, contact lenses (hard and soft, initial and replacement) and disposable contact lenses when prescribed by a licensed Optometrist.

Section C

Proposed Monthly Premiums

Rates have a proposed effective date of **1st June 2010** and are subject to change and medical underwriting.

MEDICAL
*Semi-Private
Ward, On and Off
Island Benefits*

| Category | Rate |
|---|-------------|
| A – Employee Only | \$ 650.79 |
| B – Employee & Non Working Spouse | \$ 1,369.32 |
| C – Employee, Non Working Spouse & Child(ren) | \$ 1,738.29 |
| D – Employee & Child(ren) | \$ 967.54 |
| E – Employee & Working Spouse | \$ 1,133.18 |
| F – Employee, Working Spouse & Child(ren) | \$ 1,502.15 |

HIP Medical
Under age 65

| Category | Rate |
|--------------------|-----------|
| A –Employee Only | \$ 298.93 |
| B – Employee & NWS | \$ 597.86 |

DENTAL
Basic

| Category | Rate |
|---|----------|
| A – Employee Only | \$ 22.00 |
| B – Employee & Non Working Spouse | \$ 44.00 |
| C – Employee, Non Working Spouse & Child(ren) | \$ 66.00 |
| D – Employee & Child* | \$ 44.00 |
| E – Employee & Working Spouse | \$ 44.00 |
| F – Employee, Working Spouse & Child(ren) | \$ 66.00 |

*If an employee has more than one child on their insurance, they must enroll in either Category C or F for Dental

DENTAL
Comprehensive

| Category | Rate |
|---|-----------|
| A – Employee Only | \$ 44.00 |
| B – Employee & Non Working Spouse | \$ 88.00 |
| C – Employee, Non Working Spouse & Child(ren) | \$ 132.00 |
| D – Employee & Child* | \$ 88.00 |
| E – Employee & Working Spouse | \$ 88.00 |
| F – Employee, Working Spouse & Child(ren) | \$ 132.00 |

*If an employee has more than one child on their insurance, they must enroll in either Category C or F for Dental

Section C

Proposed Monthly Premiums continued

VISION

| Category | Rate |
|---|-------------|
| A – Employee Only | \$10.00 |
| B – Employee & Non Working Spouse | \$20.00 |
| C – Employee, Non Working Spouse & Child(ren) | \$30.00 |
| D – Employee & Child* | \$20.00 |
| E – Employee & Working Spouse | \$20.00 |
| F – Employee, Working Spouse & Child(ren) | \$30.00 |

* If an employee has more than one child on their insurance, they must enroll in either Category C or F for Vision