



Coverage On Demand™ Health Insurance

For Individuals and Families





Are you tired of paying high premiums for healthcare coverage you don't use?

Now you don't have to
with **Coverage On Demand**

It's a revolutionary approach to health insurance coverage.

Most Americans overpay for their health insurance. Many health plans offer lifetime benefits of up to \$5 million of health insurance, yet **92% of insured Americans have claims of less than \$5,000 per year.***

They're paying high premiums for the peace of mind that comes with knowing they have coverage for a catastrophic event, should it ever occur.

Now, American Community's Coverage On Demand plan gives you the choice to buy coverage when you need it. This truly innovative health insurance plan can significantly reduce your premiums. You start with low-cost health insurance protection, with benefits payable up to \$5,000. Should you ever need additional coverage, you can increase your benefits at any time, without providing proof of good health. More importantly, Coverage On Demand allows you to increase your coverage **AFTER** you incur medical expenses, and have those bills paid. Who says you can't go back in time? Now you can, with Coverage On Demand.

If you want to lower your healthcare premium, if you want the peace of mind that you can always purchase additional coverage should the unexpected occur...then Coverage On Demand is the plan for you.

**Source: 2005 Milliman Health Cost Guidelines*

A Revolutionary Concept in Health Insurance

Coverage Levels & Activation Fees

Coverage On Demand is a health insurance plan, providing four levels of health insurance benefits. You and each covered family member begin at Level 1, but each of you has the option to individually purchase more coverage if you need it, without having to provide evidence of good health. There is a one-time activation fee each time you move from one level of coverage to the next. This fee is separate for each family member, and varies by age and coverage level. So if your spouse needs more coverage, he or she can pay the activation fee and receive additional benefits at Level 2 while you and other covered family members remain at Level 1 coverage.

Coverage On Demand allows you to customize your coverage to best meet your family's needs and keeps your costs as low as possible. Regardless of what coverage level changes you make, your premium remains the same throughout your benefit period, which is the 12-month period beginning on the effective date of your policy.

Coverage On Demand at Level 1

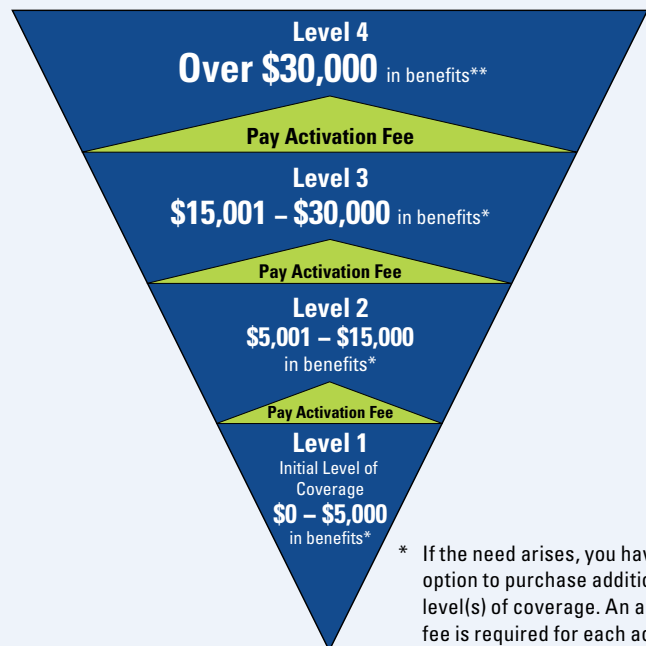
At Level 1 you have a maximum of \$5,000 in paid benefits per benefit period. Remember, about 92% of people with insurance have less than \$5,000 a year in medical claims.* So, in most cases, Coverage On Demand medical coverage at Level 1 should be ample.

Level 1 benefits may be applied toward any medical expense covered under the policy:

- ✓ Doctor's office visits
- ✓ Hospital inpatient
- ✓ Hospital outpatient
- ✓ Emergency care
- ✓ Preventive services
- ✓ Diagnostic services
- ✓ Surgical services
- ✓ Other medical services

You, as well as each covered member of your family, will have a \$5,000 maximum per benefit period in available benefits. There is a \$250, \$500 or \$1,000 deductible per benefit period for a single individual. With a family policy, at least two family members must separately meet the individual deductible. Please see your policy for specific benefit details.

Lastly, there is a Preferred Provider Organization (PPO) of physicians, hospitals and specialists available to help you save even more on medical costs. You may select any physician, hospital or service provider you wish. But you save by choosing providers within the PPO network. At Level 1, your plan pays 80% of covered expenses when you use providers within the network, and 50% of covered expenses when you use providers not within the PPO network, up to a maximum of \$5,000.



* If the need arises, you have the option to purchase additional level(s) of coverage. An activation fee is required for each additional level of coverage purchased.

** Up to a \$5 million lifetime maximum

*Source: 2005 Milliman Health Cost Guidelines

Individual Choice is Part of the Plan



Coverage On Demand at Level 2.

Now comes the revolutionary beauty of Coverage On Demand. Let's say you, or any member of your family, should incur more than \$5,000 in eligible medical expenses in a benefit period. You have two choices:

- ✓ Pay the additional medical expenses out of your own pocket.
- ✓ Activate the next level of coverage for a one-time-per-benefit-period activation fee per covered family member.

It's your choice. At Level 2, you now have an additional \$10,000 in available benefits for your benefit period, up to a maximum of \$15,000. And, again, the option to increase your coverage to this level is available to you and every

covered family member individually. But, listen to this, the \$15,000 maximum available coverage is *retroactive* back to the beginning of your benefit period. Should you or any member of your family incur expenses beyond the maximum \$5,000 at Level 1, these expenses will be covered up to the new maximum at Level 2 *retroactively*.

You will be reimbursed for your old medical bills for covered expenses up to \$15,000.

At this level, working within the PPO network is even more beneficial. Your plan will pay 100% of all covered expenses to providers within the network and 70% of covered expenses to providers outside the network, (applicable to the Level 2 benefits of \$5,001-\$15,000).¹

Coverage On Demand at Level 3.

Now, let's assume it's a particularly bad year, medically speaking, and at some time during your benefit period you or any family member exceeds \$15,000 in covered medical expenses. Based upon this amount, your choices now are:

- ✓ Pay the excess out of your own pocket.
- ✓ Pay the next Coverage On Demand level activation fee for the affected family member to purchase an additional \$15,000 in available benefits for their benefit period. This takes their benefit period maximum from \$15,000 to \$30,000.

You make this decision based upon how much your medical bills total in excess of \$15,000.

Coverage On Demand works the same way at this level. Any medical bills in excess of \$15,000 will be covered retroactively back to the beginning of the benefit period. You will be reimbursed for previous medical bills up to your new Coverage On Demand Level 3 maximum of \$30,000.

It's a revolutionary concept. And covered medical expenses will be paid at 100% at this level, with any providers, both within and outside the PPO network, (applicable to the Level 3 benefits of \$15,001-\$30,000).¹

Coverage On Demand at Level 4

Here's the most favorable and truly revolutionary part. Should something catastrophic happen, and medical bills for any individual or family member exceed \$30,000 for the benefit period, you can pay the new activation fee for the affected family member and move them up to Level 4, the final level of medical expense protection under the plan. At this level, the plan provides coverage beyond the \$30,000 maximum, up to a \$5 million lifetime maximum.

With Coverage On Demand at all levels, the lifetime policy maximum is \$5 million. But at this level, covered medical expenses up to \$5 million will be paid retroactively back to the beginning of the benefit period. It doesn't matter how many medical bills you have.



Your lifetime maximum still remains \$5 million. Your across-the-board deductible remains the same per individual per benefit period. And services covered under the policy will be paid at 100%, with providers both in and outside the PPO network at this level, (applicable to the Level 4 benefits of over \$30,000).¹ Now that's protection.

¹ Refer to your state-specific benefit chart for details.

Sample Costs for 25 Year-Old Male

Level 1

Example:

Brad is a healthy 25 year-old who rarely sees the doctor, except for preventive care and the occasional sinus infection. Brad pays a low monthly premium and gets up to \$5,000 in benefits.¹

Level 1		Premium	Available Benefits
Monthly Premium	\$50 × 12 mo	\$600	\$0-\$5,000
Benefit Period Total=		\$600	
+ Cost of any applicable Benefit % for network or non-network services. ²			

Level 2

Example:

The unexpected happens and Brad has to have his appendix removed. Medical bills total \$10,000 for the year. Brad pays the Level 2 activation fee. Eligible medical expenses for Levels 1 and 2 are covered, up to \$15,000. His low monthly premium stays the same.¹

Level 2		Premium	Available Benefits
Monthly Premium	\$50 × 12 mo	\$600	\$5,001-\$15,000
Level 2 Activation Fee		+ \$1,000	
Benefit Period Total=		\$1,600	
+ Cost of any applicable Benefit % for non-network services. ²			



Additional Peace of Mind...

The Next Benefit Period

At the end of the first Benefit Period, Brad's coverage returns to Level 1, with a low premium and benefits up to \$5,000. Should he ever need it, Brad can pay an activation fee and get additional coverage.

Benefit Period Extension Levels 1, 2, 3 & 4

If Brad is confined in a hospital or nursing facility when his benefit period ends, we will extend his benefit period until the earliest of

Level 3

Example:

Brad injures his back and has surgery. Medical bills for the surgery total \$19,500 and he still needs physical therapy. Brad pays the activation fee(s) for Level 2 (if not already paid) and Level 3. Eligible medical expenses are covered for Levels 1, 2 & 3 up to \$30,000. His low monthly premium stays the same.¹

Level 3		Premium	Available Benefits
Monthly Premium	\$50 × 12 mo	\$600	\$15,001- \$30,000
Level 2 Activation Fee ³		\$1,000	
Level 3 Activation Fee		+ \$1,100	
Benefit Period Total=		\$2,700	

Level 4

Example:

Brad has a really bad year, medically speaking. His medical bills are over \$30,000 and climbing. Brad pays the activation fee(s) for Levels 2 & 3 (if not already paid), plus Level 4. He now has coverage for up to the lifetime maximum of \$5 million. His low monthly premium stays the same.¹

Level 4		Premium	Available Benefits
Monthly Premium	\$50 × 12 mo	\$600	Over \$30,000
Level 2 Activation Fee ³		\$1,000	
Level 3 Activation Fee ³		\$1,100	
Level 4 Activation Fee		+ \$4,000	
Benefit Period Total=		\$6,700	

the following dates: (1) the date he is released from the hospital or nursing facility; (2) thirty days after his benefit period would otherwise have ended; (3) the date we have paid the maximum lifetime benefit under the policy; or (4) the date his coverage terminates under the policy.

Additional coverage levels may be requested during the extended benefit period.

The benefit period extension and any coverage levels activated during the extension apply only to the confined family member and the expenses incurred for the confinement taking place at the time the benefit period would otherwise have ended.

This unique benefit offers Brad real peace of mind during his confinement.

Claim Payments at Levels 2, 3 & 4

Each time Brad pays an activation fee, we will re-evaluate any claims he incurred during his benefit period that were not paid because they exceeded the maximum payable benefits under the previous level of coverage. We will pay for covered medical expenses that exceeded the previous level of coverage based on the benefit percentages and maximum benefit amount associated with the new level of coverage.

¹ Premiums and Activation Fees shown are for illustrative purposes only

² Refer to your state-specific benefit chart for details

³ If not already paid

Health Plan Options

The Next Coverage On Demand Benefit Period

At the end of your benefit period, no matter what Coverage On Demand protection level you may have, you and all family members revert back to Level 1 with \$5,000 maximum benefits. And your Coverage On Demand choices and protection begins all over again. So even if you had a year of particularly high medical expenses, your coverage returns to Level 1 at the beginning of your new benefit period. This unique feature helps keep your premiums as low as possible.

Your Provider Network

With Coverage On Demand, you have the freedom to choose your own doctor or hospital. You can minimize your share of the healthcare costs by using doctors and hospitals that are part of the preferred provider organization (PPO) network. American Community has contracted with the leading PPO networks across the country, offering access to high-quality hospitals, primary care physicians, specialists and other providers. If your doctor or hospital is not a member of the PPO, you share in more of the costs of your medical expenses. What makes our PPO plan so desirable is that it allows you access to a specialist when you feel it is necessary. A referral is not required to access a specialist. Your PPO network is shown on the front of your medical identification (ID) card.

Travel With Peace of Mind

In addition, you can receive the PPO network level of benefits when traveling outside your state through a coordinated program with a nationwide PPO network. It's the perfect solution for road warriors, snowbirds and students who attend out-of-state colleges. There is no additional fee for this value-added benefit and a toll-free number is provided on the back of your medical ID card to help you locate available network providers.



Contact your American Community agent for the PPO networks available to you. For a list of available providers, visit our website at www.american-community.com and click on "Provider Locator."

Extensive Coverage is Standard

Key features and additional benefits of your Coverage On Demand plan include:

No Deductible in Case of Accidental Injury

We feel you have enough to worry about in the case of an accident. So, all our plans include a benefit American Community is famous for: we waive the deductible and pay the covered charges for the first 30 days following an accidental injury, up to the benefits payable under the level of coverage in effect at the time of the accident.

\$5 Million Lifetime Maximum

Your policy provides total plan benefits up to a lifetime maximum of \$5 million per covered person. That's total peace of mind.

Prescription Drug Program

Your prescription drug program provides:

- ✓ Prescription drug card for retail purchases from a participating pharmacy*
- ✓ Mail order service for medications you take on an ongoing basis
- ✓ Your choice of brand name or generic prescription medicines. Use of generics can significantly lower your prescription drug costs.

Eligible prescriptions filled at a participating pharmacy* are subject to a copayment. Benefits are not subject to the benefit period deductible; however, benefits are subject to the maximum benefits payable at each coverage level.

You can fill prescriptions at over 60,000 participating retail pharmacies across the country. A toll-free number will be listed on the back of your ID card to help you locate participating pharmacies, or you can visit www.caremark.com.

Optional Coverage

Maternity Coverage

Maternity coverage is available for you or your insured spouse* after a waiting period from the effective date of maternity coverage. The benefit period deductible, coverage level maximums and benefit percentages do not apply. Benefits are payable at 100% in and out of network. Based upon policy provisions, covered expenses include:

- ✓ Prenatal care
- ✓ Routine delivery charges
- ✓ In-hospital care of well newborn
- ✓ Inpatient care and associated charges

Dental Coverage

Dental coverage is also available for individuals and families. Dental deductibles and benefit percentages are separate from medical deductibles and benefit percentages. The maximum benefit per benefit period, per person, is \$1,000 for Type 1 and Type 2 expenses combined.

Type 1 Expenses:

- ✓ No deductible is required. Charges for covered services are covered at 80% after a six-month waiting period.
- ✓ Benefits include office visits and examinations, cleanings, x-rays, diagnostics, space maintainers and pathology.

Type 2 Expenses:

- ✓ Charges for Type 2 covered services are subject to a \$100 benefit period deductible; then covered at 50% after a 12-month waiting period.
- ✓ Benefits include fillings, oral surgery, extractions, endodontics, periodontics, crowns, inlays, bridges and dentures.

**Please refer to your state-specific benefit chart for state variations.*

American Community

Premium Rates

Your premium rate is guaranteed for the first 12 months of coverage. After 12 months, American Community may modify, at any time, the applicable premium rates for all Coverage On Demand policies in your state. Modification of premium rates is determined by ALL Coverage On Demand policies within the same state, not just your claims experience.

Renewability

Renewability is guaranteed in accordance with state and federal law, as shown in the policy. Renewability is NOT based on your claims experience.

Unprecedented Service is Part of the Plan

With beginnings dating back to 1938 and headquartered in Livonia, Michigan, American Community is one of the nation's oldest and most respected health insurance providers. Health insurance is what we do. Health insurance is all we do. We are known for innovation in health coverage, and for the creation of affordable products. We are also known for prompt claims payment and outstanding customer service.

Our knowledgeable and experienced staff of customer service representatives is on call to answer any question you may have regarding coverage, billing or payment of claims. Contact information will be provided with your new American Community policy.

Your American Community Agent

Your American Community agent is an independent health insurance specialist. Health insurance is your agent's business. Dedication to the full, best interest of you, the client, is his or her specialty. You can count on this.

This booklet is intended to highlight certain provisions of the plan described. It is not a contract, an insurance policy or a summary plan description booklet. Please see the policy for complete details, terms, conditions and full provisions of coverage.





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