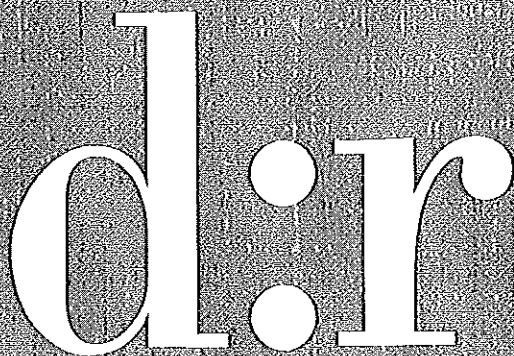




CATASTROPHIC MEDICAL INSURANCE RENEWAL
NORTH DAKOTA HIGH SCHOOL ACTIVITIES ASSOCIATION



INSURANCE RENEWAL CREATED FOR

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CATASTROPHIC MEDICAL INSURANCE

AIG Life Insurance Company

CURRENT PLAN

SUMMARY OF IMMEDIATE MEDICAL EXPENSE - 5 YEAR BENEFITS

- Accident Medical Expense Benefit: 100% of reasonable, customary and necessary covered expenses, with an overall limit of \$50,000 for 5 years
- Deductible: \$25,000 per injury
- Incurral Period: One (1) year benefit period in which to meet the deductible

SUMMARY OF EXTENDED MEDICAL EXPENSE - 5 YEAR BENEFITS

- Accident Medical Expense Benefit: 100% of reasonable, customary and necessary covered expenses, with an overall limit of \$450,000 for 5 years
- Family Adjustment Benefit Maximum: \$30,000
 - Family Travel Expense Maximum per Calendar Year: \$10,000
 - Loss of Earnings Benefit Maximum: \$10,000
 - Family Training Benefit Maximum: \$10,000
- Special Expense Benefit Maximum: \$150,000
- Monthly Total Disability Benefit Maximum: \$1,000
- Education Expense Benefit Maximum: \$50,000
- Mental and Nervous Disorder Benefit Maximum:
 - Outpatient Maximum (per visit): \$90
 - Outpatient Visits Maximum (per calendar year): 50 visits/1 per day
 - Inpatient Maximum (per calendar year): 45 days
- Spinal Subluxation Benefit Maximum: \$2,000 per calendar year (less any amount payable under the Immediate Medical Expense Benefit)
- Death Benefit: \$10,000
- Return of Premium: No longer offered

	# Athletes	Deductible	Plan Maximum	Rate	Premium
Current Plan	29,903	\$25,000	\$500,000	Flat	\$54,313
2013-14 Renewal - 2 year rate	29,903	\$25,000	\$500,000	Flat	\$46,166.05

CATASTROPHIC MEDICAL INSURANCE

Mutual of Omaha

OPTIONAL PLAN SUMMARY OF LIFETIME BENEFITS

- Accident Medical Expense Benefit: 100% of reasonable, customary and necessary covered expenses, with an overall lifetime limit of \$500,000
- Deductible: \$25,000 per injury
- Incurral Period: Two (2) year Benefit period in which to meet the deductible
- Extended Care Facility Maximum: \$365,000 per calendar year
- Combined Home Health Care/Custodial Care Maximum: \$100,000 per calendar year
- Maximum Physical Therapy Benefit: \$50,000 per calendar year
- Accidental Death Benefit: \$10,000
- Cash Benefit: \$10,000 (for Paralysis, including Quadriplegia, Paraplegia or Hemiplegia)

EXPANDED BENEFITS (Total Disability Only)

- Special Expense Benefit: \$150,000 for the first five years following an accident for home remodeling or adaptation and special vehicle purchase or adaptation
- Lifetime Adjustment Expense Benefit: \$50,000 Lifetime for family counseling, training, travel and loss of earnings of parents
- College Education Expense: \$50,000 for tuition, room and board and other related expenses for five years
- Total Disability Benefit: A catastrophically injured student who is totally disabled at age 18 may receive \$1,000 per month for remainder of life
- Partial Disability Benefit: A catastrophically injured student who is partially disabled at age 18 may receive \$750 per month for remainder of life

	# Athletes	Deductible	Plan/Maximum	Rate	Premium
2013-14 Proposal - 2 year rate	29,903	\$25,000	\$500,000	\$1.57	\$46,947.75

*54,313.00
with refund*

CATASTROPHIC MEDICAL INSURANCE

Mutual of Omaha

A Highlight of Health Care Reform Laws and Accident Policies

The Patient Protection and Affordable Care Act ("PPACA") significantly overhauled health care rules. The requirements of PPACA do not apply to insurance policies or plans that provide coverage only as the result of an accident. To the extent that an accident policy provides for benefits other than those attributable to an accident, such as an ancillary medical benefit, the policy could be treated as subject to PPACA.

If PPACA applies to an insurance policy, there are numerous requirements that must be addressed in the policy, including but not limited to the following more significant mandates:

Lifetime Benefit Limits	There can be no lifetime limits on essential health benefits.
Annual Benefit Limits	There can be no annual limits on essential health benefits.
Preventive Services	The policy must provide coverage for preventive services without cost-sharing for certain services.
Preexisting Conditions	There can be no preexisting condition exclusions.
Claims Appeals	There must be an internal claims appeal process along with an external claims review process.
Medical Loss Ratio	An insurer must report detailed premium and expense information to the government each year for each coverage line subject to PPACA.
Premium Reporting	
Patient Protections	The policy must cover ER services without prior authorizations and without regard to a network. The policy must also allow the patient to select certain specialized physicians without authorization or approval.

The crux of an accident policy is to provide benefits and medical care directly attributable to an accident. The cost to provide non-accident medical coverage under an accident policy consistent with PPACA's requirements would substantially increase the cost of the policy, especially considering the policy could not apply benefit limits to ancillary medical care. Further, every individual is required to maintain major medical coverage beginning in 2014. An ancillary medical benefit under an accident plan may not meet that mandated coverage requirement, and thus, the individual would be required to obtain other medical coverage as well. The significant premium cost and regulatory requirements necessary for an accident policy to comply with PPACA along with the requirement of an individual to obtain major medical coverage outweigh the inclusion of a limited ancillary medical benefit in an accident policy.