



PRODUCT GUIDE

Group Indemnity Prescription Drug Plan



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With prescription drugs accounting for 17% of total U.S. healthcare spending, there is an immediate need to provide affordable options for prescription drugs to consumers. 45.8% of the U.S. population take prescription drugs¹ and 60% of U.S. adults aged 18-64 reported receiving a prescription in a twelve-month span².

On average, America is spending \$1,200 per person each year on prescription drugs and self-medication³. 1 in 4 Americans have said they failed to fill their full prescription due to financial reasons⁴. There is a sizable market of consumers looking for affordable prescription medication options.

The Group Indemnity Prescription Drug card provides employees and their dependents affordable coverage for most commonly prescribed medications. The plan offers convenience and value, with an easy-to-use card and significant savings.



Group Indemnity Prescription Drug Plan Features

- **Fully Insured Plan** - this group indemnity plan features savings benefits and is more comprehensive than a discount card.
- **Convenient** - members show their RX card at their pharmacy and receive the benefit immediately. There is no claims form to submit.
- **Affordable** - average member cost is \$10 or less on most prescriptions.
- **Formulary covers** 80% of the most commonly prescribed medications. Discounts for non-formulary drugs are up to 80% off the average wholesale price.
- **Easy Access** - over 70,000 participating retail pharmacies, including CVS, Walgreen's and national and regional grocery store chains.
- **Patient Assistance Program** on high cost specialty program drugs.

Examples of Savings

The following are a list of examples of savings benefits you may be eligible for with the Group Indemnity Prescription Drug Plan Card:

FORMULARY DRUG NAME/CATEGORY	RETAIL COST*	COST UNDER PLAN*	PLAN PAYS*	MEMBER RESPONSIBILITY*	PERCENTAGE OF SAVINGS*
Glyburide (Generic Glynase)	\$23.31	\$8.96	\$3.00	\$5.96	62%
Rosuvastatin (Generic Crestor)	\$268.35	\$29.40	\$20.00	\$9.40	90%
Tetracycline (Generic Sumycin)	\$315.00	\$114.63	\$103.00	\$11.63	64%
Gabapentin (Generic Neuraptine)	\$191.01	\$20.08	\$10.00	\$10.08	89%
Lutonoprost (Generic Xalatan)	\$83.89	\$36.30	\$29.00	\$7.30	57%

* Examples only, actual costs may vary. If benefit is greater than the cost of your medication, you will receive a check for the difference.

Rates

Rates vary based on the following:

- Generic or Generic/Brand coverage
- Per Insured Person Benefit Period Maximums of: \$1,000, \$1,500, \$2,000, \$2,500 & \$3,000
- Group Situs State (due to loss ratio requirements)

Fidelity Security Life Insurance Company reserves the right to adjust rates for all new business written on or after a given date.

Rates do not vary by age.



All groups will be reviewed annually upon anniversary to determine if the rates require adjustment or non-renewal. At time of renewal, if enrollment is below the required levels, this product will not be offered during that year. Reapplication for coverage may be made when the employer group meets required enrollment levels.

Available Rate Structures

- 3-Tier: Employee; Employee + 1; Employee + 2 or more
- 4-Tier: Employee; Employee + Spouse; Employee + Child(ren); Employee + Family

Premium Contribution

The Group Indemnity Prescription Drug Plan may be bundled with another product without an employer contribution.

If offered on a standalone basis, a minimum employer contribution of 50% of the employee only rate, and a minimum of 25 eligible lives are both required.

Underwriting Guidelines

Underwriting is applied at the group level. This includes eligibility, financial underwriting and review of group historical experience, if any. There is no individual medical underwriting of any insureds, i.e. guarantee issue.

Election of this benefit must be made at the group policyholder level with the initial application or upon renewal.

Group Size

Minimum size = 5 participating employees.

Groups > 1,000 eligible employees require home office approval.

Group Eligibility

Employer Groups are the only eligible groups.

Professional Employer Organizations (PEOs) are not eligible.

Groups that do not meet standard guidelines require Home Office approval.

Home Office Approval

Required for:

- Groups >1,000 eligible employees
- Professional Employer Organizations (PEOs)
- Groups that do not meet standard guidelines

1. CDC <https://www.cdc.gov/nchs/products/databriefs/db334.htm>
2. CDC <https://www.cdc.gov/nchs/products/databriefs/db333.htm>
3. OECD <https://data.oecd.org/healthres/pharmaceutical-spending.htm>
4. Kaiser Family Foundation <https://www.kff.org/health-costs/press-release/poll-nearly-1-in-4-americans-taking-prescription-drugs-say-its-difficult-to-afford-medicines-including-larger-shares-with-low-incomes/>



Limitations/Exclusions

Note: The Limitations and Exclusions are described in the Policy as shown below. Bracketed text may be included or excluded based on the approved plan design for a specific program or group.

Dispensing Limits and Authorized Refills. Retail Pharmacy: the lesser of a 30-day supply or specified unit doses.

Exclusions

Note: Exclusions 1-14 are normally included in most Policies, 15 is included in Policies written to cover Generic Prescription Drugs only. State variations may apply.

The Policy does not provide any benefits for the following:

1. all Prescription Drugs not specifically listed in the Formulary;
2. all over-the-counter products and medications;
3. all non-Legend Prescription Drugs;
4. refills in excess of that specified by the prescribing Physician; or refills dispensed after one year from the original date of the prescription;
5. all newly marketed pharmaceuticals or currently marketed pharmaceuticals with a new FDA approved indication for a period of one year from such FDA approval for its intended indication;
6. any drug labeled "Caution - Limited by Federal Law for Investigational Use" or experimental drugs;
7. any drug that the FDA has determined to be contraindicated for the specific treatment;
8. drugs needed due to conditions caused, directly or indirectly, by an Insured Person taking part in a riot or other civil disorder; or the Insured Person taking part in the commission of a felony;
9. drugs needed due to conditions caused, directly or indirectly, by declared or undeclared war or an act of war; or drugs dispensed to an Insured Person while on active duty in any Armed Forces;
10. any expenses related to the administration of any drug;
11. needles or syringes;
12. drugs or medicines taken while in or administered by a hospital or any other health care facility or office;
13. drugs covered under Workers' Compensation, Medicare or other Governmental program;
14. drugs, medicines or products that are not Medically Necessary; or
15. {Brand Name Prescription Drugs.}

Policies are issued and underwritten by Fidelity Security Life Insurance Company (FSL), FSL is located at 3130 Broadway, Kansas City, Missouri, and has been rated A (Excellent) based on an analysis of financial position and operating performance by A.M. Best Company, an independent analyst of the insurance industry. For the latest rating, access www.ambest.com.

In the case of conflict between this brochure, the certificate of insurance and the Group Master policy, the language of the Master Policy is overriding. Policy No.: M-9114. Policy Form No: IP-100. Not available in all states. Some provisions, benefits, exclusions or limitations may vary by state.

Arranged by:



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