ING EMPLOYEE BENEFITS
MID-ATLANTIC OFFICE
Mark F. Walter, CEBS
Regional Marketing Representative

January 4, 2013

Mr. Ryk Tierney
Associated Administrators
911 Ridgebrook Road
Sparks, MD 21152

RE: **ReliaStar Life Insurance Company Group Policy 615323**
**Bakers Union and FELRA Health & Welfare**

Dear Ryk:

Thank you for your continued business with ING Employee Benefits, a division of ReliaStar Life Insurance Company. We have completed our review of the submitted data and we are pleased to offer the enclosed preliminary renewal for **Bakers Union and FELRA Health & Welfare** for a renewal effective date of January 1, 2013.

This renewal is based upon the current leveraged trend factors, market conditions, plan designs, and current demographic factors. Any changes in underlying plan design, use of third-party administrators, networks, and/or cost containment programs may affect this renewal and need to be disclosed prior to the renewal acceptance.

We are pleased to offer a new Excess Risk Insurance Contract that will go into effect on January 1, 2013. The newly designed contract includes many enhancements, including the distinguishing features listed below. If you would like to review a full sample contract with the changes and new features highlighted, please let me know.

- **Independent Review Organization**
  This standard enhancement, included at no additional cost, extends protection to the plan if an eligible covered person appeals a denied claim and the denial is overturned. This important feature will reduce the potential for their claims to be considered ineligible.

- **Enhanced Definitions**
  We have enhanced numerous definitions that will create greater policy clarity. Included is a new definition for Experimental and Investigational Treatment, which defines an eligible expense under your ING policy.

- **Proof of Loss**
  We lengthened the time the claims administrator has to submit an eligible claim to us for reimbursement to 180 calendar days after the end of the Coverage Period.

- **Expanded Reporting Requirements**
  We have enhanced the reporting that Claims Administrators are required to provide when expenses paid or pending are expected to exceed 50% of the Individual Excess Risk Deductible.

**Upon your review and your client's acceptance of the renewal, please advise so we can prepare an application for the client's signature for the new stop loss contract.**

ING Employee Benefits is dedicated to providing innovative products, competitive pricing, and exceptional customer service. Our broad portfolio is designed to meet employer needs through our employer paid products and employee needs through our voluntary worksite products. If we can assist you with any additional products, please contact me.

I welcome the opportunity to renew this business with you and look forward to continuing our relationship. Thank you again continuing to place your trust in ING Employee Benefits.

Sincerely,

Mark F Walter

Mark F. Walter, CEBS
Regional Marketing Representative

MFW/cjh

*Subject to a limited number of exclusions

## Basic Life & AD&D Renewal

## Bakers Union and FELRA Health & Welfare
## Group Number: 615323
## Effective: January 1, 2013

**Basic Life & AD&D Insurance:**

| | **Current Year 2012** | **Renewal Plan 2013** |
|---|---|---|
| Basic Life, per $1,000 | $.22 | $.22 |
| Basic AD&D, per $1,000 | $.02 | $.02 |
| **ACCEPTANCE:** | | ☐ |

**Excess Risk Renewal Proposal**

**Bakers Union and FELRA Health & Welfare**
**Group Number: 615323**
**Effective: January 1, 2013**

**Individual Excess Risk (IER) Insurance:**

| | **Current Year 2012** | **Renewal Plan 2013** | **Alternative #1 Renewal Plan 2013** | **Alternative #2 Renewal Plan 2013** |
|---|---|---|---|---|
| Covered Benefits: | Medical & Rx | Medical & Rx | Medical & Rx | Medical & Rx |
| Claim Basis: | Incurred 1/1/12 through 12/31/12 and Paid 1/1/12 through 3/31/12 (12/15) | Incurred 1/1/13 through 12/31/13 and Paid 1/1/13 through 3/31/13 (12/15) | Incurred 1/1/13 through 12/31/13 and Paid 1/1/13 through 3/31/13 (12/15) | Incurred 1/1/13 through 12/31/13 and Paid 1/1/13 through 3/31/13 (12/15) |
| Individual Deductible: | $275,000 | $275,000 | **$300,000** | **$275,000** |
| Aggregating Deductible: | $50,000 | $50,000 | $50,000 | $50,000 |
| Composite Rate: | $27.28 | $31.84 | **$27.28** | **$31.37** |
| Annual Maximum: | $1,000,000* | $1,000,000* | **$1,700,000*** | **$1,725,000*** |
| Lifetime Maximum | | Unlimited | Unlimited | Unlimited |
| Covered Employees: | 432 | 432 | 432 | 432 |
| Dependent Units: | 322 | 322 | 322 | 322 |

**Note: Due to the claims experience of the group, we are providing a significant reduction from the regular renewal to go to a "$2,000,000 less IER Deductible" maximum in 2013.**

December 12, 2012
ING Employee Benefits

**Additional Renewal Assumptions**

| | |
|---|---|
| Commissions | Not Included |
| TPA: | Associated Administrators, LLC |
| PPO Network: | CIGNA |
| Cost Containment | Associated Administrators, LLC |
| Rate Guarantee: | 1 year |
| Individually Adjusted Deductible (Lasers) | None |
| Offer Valid Through Date: | December 29, 2012 |

As our offer is time sensitive, our home office has indicated that the offer at the currently quoted renewal rates coupled with no lasers is contingent upon receipt of a commitment to renew by the Offer Valid Date above. The commitment to renew will need to include the returned signed application for the conversion to our newer, more flexible Excess Risk (Stop Loss) insurance contract.

**Again, upon your review and your client's acceptance of the renewal, please advise so we can prepare an application for the client's signature for the new stop loss contract.**