





## EXEC-U-CARE®

### Supplemental medical reimbursement insurance

#### **For executives who deserve more**

Key executives deserve recognition for the contributions and sacrifices they make on a daily basis. These efforts result in not only success for the organization, but also the people who work there. That's why we offer Exec-U-Care for key executives as a supplemental discretionary benefit.

Exec-U-Care is designed to supplement a company's major medical plan by reimbursing executives and eligible dependents for health care expenses not covered by the basic plan or other group health or government plan. For example, under most group medical plans

Exec-U-Care helps recruit and retain key executives by providing up to \$100,000 of supplemental medical reimbursement coverage per year.

employees are responsible for such things as deductibles, coinsurance, certain dental fees, vision care, and more. By adding Exec-U-Care for qualified executives, these out-of-pocket charges are reimbursed directly to the employee. This creates a dual benefit of not only reimbursing medical expenses, but also sending the reimbursement check directly to the insured to spend as they wish. This can be particularly attractive for plans with varying levels of coinsurance as well as high-deductible health plans (HDHPs).

### **Medical expense reimbursement**

The Exec-u-Care benefit is offered with either a \$50,000 or \$100,000 maximum per calendar year. The “per occurrence” limit is 10% of the annual maximum which is either \$5,000 or \$10,000 depending on the plan design selected. The medical reimbursement insurance covers both employees and their dependents 24 hours a day, anywhere in the world.

Over and above the basic health plan, Exec-U-Care reimburses a number of medical expenses that typically are paid for out-of-pocket by employees or their dependents.



#### Reimbursed medical expenses:

- Deductibles, coinsurance and co-pays;
- Dental care and orthodontia;
- Eyeglasses, contact lenses, and other vision care;
- Hearing aids and examinations;
- Annual physicals and preventive care;
- Professional nursing or physical therapy services;
- Transportation needed for medical care;
- Prescription drugs;
- Certain over-the-counter drugs;
- Expenses for nervous and mental disorders;
- Treatment for alcohol or drug use.

To be covered, expenses must be for “medical care” as defined by Section 213 of the Internal Revenue Code. Section 213 also defines which over-the-counter medications qualify. Each person insured by Exec-U-Care (employees and dependents) must remain covered by an underlying health plan or HDHP that meets a defined level of minimum benefits. Certain exclusions and limitations apply. For a complete listing of minimum benefits, exclusions, and limitations, refer to the policy or speak to your Exec-U-Care representative.

### A tax-free benefit

One significant advantage Exec-U-Care offers over company-funded or self-insured reimbursement plans is the tax benefit. Unlike a self-insured plan, benefits paid through Exec-U-Care are typically not taxable to recipients. As the following chart shows, this can amount to significant savings for the insured.

		Self-Insured Plan	Exec-U-Care
Recipient's tax bracket	Total reimbursements	Federal tax paid by recipient	Federal tax paid by recipient
39.6%	\$5,000	\$1,980	None
36.0%	\$5,000	\$1,800	None

KPMG has issued a tax opinion on Exec-U-Care that is available upon request. Please refer to this tax opinion for more information and consult a legal or tax advisor regarding individual circumstances.





Value-added benefits are included with all Exec-U-Care policies to provide additional protection over-and-above the supplemental medical reimbursement coverage.

### **Value-adds at no additional cost**

Along with medical expense reimbursement, Exec-U-Care plans include Accidental Death and Dismemberment (AD&D) coverage and *TravelConnect*<sup>SM</sup> travel assistance services. These value-added benefits are provided at no additional cost as part of the Exec-U-Care coverage.

#### **Accidental Death and Dismemberment**

With AD&D, if a covered employee loses their life due to a covered accident, a \$100,000 benefit is paid to the designated beneficiary. If a covered accident results in loss of limb or eyesight, a portion of the benefit is paid as determined by the severity of the injury. The AD&D benefit only covers the insured employee and is reduced 70% at age 70 and terminates at age 80. Spouse and dependents are not eligible for AD&D coverage.

As with the medical reimbursement coverage, certain other exclusions and limitations apply to the AD&D coverage. For a complete description of minimum benefits, exclusions, and limitations, refer to the policy or speak to your Exec-U-Care representative.



### *TravelConnect* travel assistance services

*TravelConnect* services provide travel, medical, and safety-related services when the insured or covered dependents are traveling more than 100 miles from home. Whether traveling for business or leisure, these services are available worldwide 24 hours a day, seven days a week. Each covered employee receives a personal *TravelConnect* wallet card with worldwide emergency phone numbers. Additional cards are available upon request.

MEDEX Assistance Corporation provides the *TravelConnect* services which include anything from weather forecasts for travel destinations to emergency medical assistance halfway around the world. MEDEX representatives are trained to assist with anything from lost luggage or travel documents to fund transfers and translation services along with more complex issues such as security evacuation from a foreign country.



For medical-related emergencies, MEDEX will:

- Arrange and pay for evacuation to the nearest health care facility, if adequate care is not available locally.
- Arrange and pay for the return home of a child if left unattended due to a medical emergency.
- Arrange and pay for a traveler's return to their point of origin or home country once stabilized after an emergency medical evacuation.
- Arrange and pay for a family member to be with a traveler hospitalized for more than seven days.
- Arrange and pay for the remains of a deceased traveler to be returned to their home location.

This is just a sampling of the many valuable services provided by the *TravelConnect* program. For a full description, visit [www.exec-u-care.com](http://www.exec-u-care.com).



## Lincoln Financial proven advantages

- Financial stability
- World-class service
- Superior products
- Extensive local support
- Competitive pricing

### **Backed by the best**

Exec-U-Care medical reimbursement insurance is underwritten by The Lincoln National Life Insurance Company (a Lincoln Financial Group affiliate). Lincoln Financial Group is a leading provider of group insurance products and services with a long history of financial strength and stability. With this backing, you can be assured that when a claim is made, it will be handled in a prompt, courteous, and professional manner.

For more information on this valuable coverage, contact the Exec-U-Care administration offices at (800) 552-1213 or visit [www.exec-u-care.com](http://www.exec-u-care.com).

**EXEC-U-CARE®**



*A Lincoln®*

## A tradition of integrity

At Lincoln Financial Group, we have a heritage of helping companies find solutions to their funding and benefit needs—with the same honesty, integrity, and responsibility that you'd expect from our namesake. It's a legacy that we proudly and respectfully continue each day.

### The strength of Lincoln Financial Group® affiliates

We believe our continued commitment to strength and stability is indispensable to who we are and critical to your confidence in us. We are a proven industry leader in identifying and delivering sophisticated financial strategies and product solutions for the creation, protection, and utilization of capital. We are committed to assist companies in helping their employees and their families redefine their retirement because we don't believe retirement is an end—it's an opportunity for everyone to start doing what they were meant for all along.

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Exec-U-Care insurance coverage is underwritten by The Lincoln National Life Insurance Company (Ft. Wayne, IN), a Lincoln Financial Group company.

Travel assistance services are not contained within the Exec-U-Care medical reimbursement contract. Travel assistance services are provided through MEDEX Assistance Corporation, Towson, MD (in WA and OR underwritten by Arch Insurance Company, a Missouri corporation, NAIC #11150, with executive offices in New York, NY).

MEDEX is a separate, independent company and is not an affiliate of Lincoln Financial Group. Each independent company is responsible for its own obligations.

KPMG has issued a tax opinion on Exec-U-Care that is available upon request. The information in this brochure is general in nature and may not apply to individual situations. Consult your legal and/or tax advisor(s) to determine the federal and state income tax implications for covered individuals.

For any retirees, surviving spouses, or board members selected for coverage by the Exec-U-Care AD&D benefit, AD&D coverage terminates at age 65.

Exec-U-Care is not available in all states. State-specific restrictions or limitations are not addressed in this brochure.

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