

Your NCFlex Benefits Overview

- Health Care Flexible Spending Account (HCFSA)
- Dependent Day Care Flexible Spending Account (DDCFSA)
- Dental
- Vision Care
- Critical Illness
- Cancer
- Core Accidental Death & Dismemberment (AD&D)
- Voluntary Accidental Death & Dismemberment (AD&D)
- Group Term Life



Information
www.ncflex.org

Online Enrollment at
<https://mybeacon.nc.gov>

The NCFlex Program is administered through the Office of State Personnel.

enrollment

2013

Annual Enrollment Dates
 October 1 – 26



To find out about NCFlex, scan with your smart phone...



checklist

The NCFlex Benefits Program ... Is It For Me?

ASK YOURSELF THE FOLLOWING QUESTIONS:

- Do I (or my family) have out-of-pocket medical expenses?
- Do I (or my family) have child day care or adult day care expenses?
- Do I need life insurance or accidental death & dismemberment coverage?
- Do I (or my family) have a family history of cancer?
- Do I need coverage for dental, vision or critical illness emergencies?

**If you checked any of these boxes, then NCFlex is for you!
Read on to find out what the NCFlex Benefits Program
has to offer.**



NCFlex Overview

The NCFlex Benefits Program provides a variety of plans to meet the needs of you and your family. You may enroll in any or all of the NCFlex benefits if you work for a state agency, university or select community college. You pay for the cost of coverage through payroll deduction before taxes are withheld. Paying for NCFlex benefits on a pre-tax basis reduces your taxable income, which in turn reduces your state and federal income taxes and Federal Insurance Contributions Act (FICA).

NCFlex offers the following plans:

- Health Care Flexible Spending Account (HCFSA) page 7
- Dependent Day Care Flexible Spending Account (DDCFSA) page 11
- Dental page 15
- Vision Care page 19
- Critical Illness page 23
- Cancer page 26
- Core Accidental Death & Dismemberment (AD&D) page 29
- Voluntary Accidental Death & Dismemberment (AD&D) page 31
- Group Term Life page 33

Why You Should Participate

Convenience and Tax Savings — Contributions for all NCFlex benefits are made through payroll deduction **before taxes** are withheld.

Flexibility — The choice to participate is yours. You can sign up for any or all of the benefits offered through NCFlex. Then, each year you will get to decide if you want to participate for the next year.

Two Ways to Save — First, we use the size of the State to our advantage to buy benefits at the lowest possible cost to save you money. Second, the cost for the insurance coverages and the two flexible spending accounts (FSAs) are deducted from your pay on a pre-tax basis. The amount of taxes you save (savings can be 25-40%) depends on your tax bracket.

Note: This is only a summary of the benefit plan. You may review and/or obtain a copy of the Certificate of Coverage by selecting "Certificates" under the "General Benefits Info" tab at www.ncflex.org.

Enrolling for the First Time

What You Must Do

- Read this guide or go online to www.ncflex.org for detailed plan information.
- Follow the instructions on how to enroll at the end of this guide.

It is that easy!

NCFlex Benefits	If You Are Enrolling for the First Time
HCFSA	Enroll and designate annual contribution (<i>required each year</i>)
DDCFSA	Enroll and designate annual contribution (<i>required each year</i>)
Dental	Enroll and elect High or Low Option
Vision Care	Enroll and elect Plan 1, Plan 2 or Plan 3
Critical Illness	Enroll and elect coverage
Cancer	Enroll and elect either the Premium, High or Low Option
Core AD&D	Enroll for employee-only, no-cost coverage
Voluntary AD&D	Enroll and elect coverage amount
Group Term Life	Enroll and elect coverage amount

The State of North Carolina is the employer of this plan.

About This Guide

This guide describes benefits offered through NCFlex. In the event of any discrepancy between what is written here and what is written in the plan document and insurance certificates, the plan document and insurance certificates will govern. Changes in the tax laws or other requirements might cause changes in the plan. The State reserves the right to amend or terminate the plan or any benefits under the plan at any time.

Enrollment Reminders

At a Glance: Important Benefit Enrollment Reminders

Before making your 2013 benefit elections, be sure to review these reminders to help you correctly enroll in the coverage that is right for you and your family. Remember, if you work for a state agency, university or select community college, your cost for coverage is deducted from your paycheck before taxes.

Benefit	Reminder	Page
Health Care FSA	<ul style="list-style-type: none"> • Re-enrollment required every year • Annual contribution limit is \$2,500 per new Federal regulation • FSA Reimbursements are made by direct deposit 	7
NCFlex Convenience Card	<ul style="list-style-type: none"> • One card will be issued - no fee • Activation required • Additional cards must be requested - no fee 	10
Dependent Day Care FSA	<ul style="list-style-type: none"> • Re-enrollment required every year • FSA Reimbursements are made by direct deposit 	11
Dental	<ul style="list-style-type: none"> • Enroll within 30 days when first eligible to avoid waiting period • Waiting periods may apply when changing from the Low Option Plan to the High Option Plan • Changing dental plan options (High Option or Low Option) is only allowed during annual enrollment 	15
Vision	<ul style="list-style-type: none"> • Two-year lockout period, if coverage is dropped • Carryover of frequency of services when changing plans during annual enrollment 	19
Critical Illness	<ul style="list-style-type: none"> • No Evidence of Insurability (EOI) required • Must elect coverage for yourself in order to cover dependents 	23
Cancer	<ul style="list-style-type: none"> • Newly eligible — No EOI Low, High or Premium Options • After initial eligibility — EOI required • Annual increase coverage — EOI required • LifeStrive, a comprehensive wellness benefit available under the High and Premium Options 	26
Core AD&D	<ul style="list-style-type: none"> • Employee only coverage at no cost • You must elect coverage 	29
Voluntary AD&D	<ul style="list-style-type: none"> • Many additional benefits, for you and eligible dependents, are included with election • Worldwide Emergency Travel Assistance services — provide coverage if a medical emergency occurs more than 100 miles away from home or in a foreign country 	31
Group Term Life	<ul style="list-style-type: none"> • Newly eligible — No EOI up to \$100,000 • After initial eligibility — No EOI up to \$20,000 during annual enrollment • Annual Increase — No EOI for \$10,000 increase up to \$100,000 during annual enrollment 	33

Know Your Benefits

The State of North Carolina offers employees opportunities to participate in many benefits that can help you meet your health and financial goals. These include numerous pre-tax voluntary benefits under NCFlex, medical coverage through the State Health Plan, and retirement benefits, in addition to benefits your particular state agency, university or select community college may offer. It is important that you not only understand all of the benefits that are available to you, but also that you **carefully review your current elections each year** to ensure your choices meet your needs as your life changes.

The Office of State Personnel website (www.osp.state.nc.us/divinfo/employ.htm) provides you with an overview of available benefits. For a current NCFlex benefit statement, visit either the BEACON (www.beacon.nc.gov) or Hewitt (www.ncflexonline.org) systems.

To obtain information on your other benefits or for help in making your NCFlex elections, please visit the websites listed below. If you need assistance on information that is particular to your state agency, university or select community college, please contact your Health Benefit Representative (HBR) or benefit department.

Resource	Web Address
Benefits Resources	
NCFlex Pre-tax Benefits	www.ncflex.org
State Retirement Systems	www.myncretirement.com
ORBIT — State Retirement Account Access	https://orbit.myncretirement.com/Orbit/Common/Pages/BPASLogin.aspx
State Health Plan	www.shpnc.org
Beacon Enrollment System	https://mybeacon.nc.gov
AON Hewitt NCFlex Online Enrollment System	www.ncflexonline.org
University of North Carolina Benefits	www.northcarolina.edu/hr/unc/benefits/index.htm
North Carolina Retirement Systems Supplemental Benefits	www.ncretiree.com
Financial & Wellness Resources	
State 401(k) and 457 Retirement Plans	www.ncplans.prudential.com
OSP State Wellness Program	www.osp.state.nc.us/Wellness/index.htm
OSP Benefits/Compensation Calculator	www.osp.state.nc.us/divinfo/Compensation%20Calculator.htm
North Carolina State Employees Credit Union	www.ncsecu.org
Federal Government Finance	www.mymoney.gov

NCHEALTHSmart

An initiative of the State Health Plan

Members enrolled in the State Health Plan are eligible* to participate in NC HealthSmart, the Plan's healthy living initiative. NC HealthSmart provides tools and services to help you stop using tobacco, stay healthy and/or manage your chronic disease. The program also provides nurse case managers to assist members who are experiencing a serious illness or injury. Many of the NC HealthSmart tools and services are available at no added cost to you, and also include healthy lifestyle, maternity and behavioral health coaches. The health assessment, videos and other materials are available on your Personal Health Portal, which can be accessed on the Plan's website at www.shpnc.org. Whether you are already healthy, or just need some extra support to be a healthier you, NC HealthSmart can help. Sign up for the portal, or call an NC HealthSmart coach at (800) 817-7044 today!

*Members eligible for NC HealthSmart Services are members whose primary health coverage is through the State Health Plan. Federal and state law prohibits the State Health Plan from using your personal information to discriminate against you in any way, or from giving this information to your employer or other unauthorized third party unless required by law.

Eligibility

Your Eligibility and Effective Date

You are eligible to participate in NCFlex if you are a state agency, university or select community college employee working 20 or more hours per week in a permanent, probationary or time-limited position. You may check with your HBR concerning your benefit eligibility. If you enroll during annual enrollment, your participation is effective January 1, 2013. **If you are a newly eligible employee, you must enroll within 30 days of your employment date. Your participation begins the first day of the month following your date of hire.** Claims incurred prior to your effective date of coverage or after your plan termination date are not eligible for reimbursement.

Dependent Eligibility

Coverage for your eligible dependents is available for most NCFlex benefits (see the specific benefit section for details). Eligible dependents are generally:

- your legally-married spouse;
- any unmarried child, including stepchild and foster child, who is dependent upon you for support and maintenance until the end of the month in which the child turns age 26;
- any unmarried child, including stepchild and foster child, of any age who remains dependent upon you for support and maintenance and who is unable to make a living because of a mental or physical handicap.*

For the accidental death and dismemberment, cancer, critical illness, dental and vision plans, you may cover children who meet the above requirements.

For the Health Care Flexible Spending Account (HCFSA), you may also cover children under the age of 26, regardless of student, tax dependency or marital status.

In addition, you may submit eligible expenses for a qualifying relative, which includes any individual who is not the tax dependent of another taxpayer, has the same principal residence as you, and for whom you provide more than half of the support for the calendar year.

***Note:** Allstate Benefits only continues coverage for disabled dependents who were previously enrolled in the plan before the age of 26. Dependents who are over the age of 26, and are not currently enrolled, are ineligible for coverage under Allstate Benefits.

The DDCFSA has additional eligibility rules. See the “DDCFSA” section on page 11 for details.

Note: You should consult with your tax advisor if you have questions as to whether someone qualifies as your income tax dependent.

If Your Benefits Claim is Denied

If you have a benefits claim that is denied by the carrier, you have certain rights as a plan participant to appeal. For information on the appeals process for specific benefits, you may contact the individual benefit carriers. Please refer to the “Contact Information” section of this guide (back cover) or contact your HBR. The steps to the appeals process is also located in the insurance certificates.

If You Have a Life Event

*If you experience a life event (also referred to as a family or employment status change), it is your responsibility to **notify your HBR or your benefits department of the change in your status or your dependents' status within 30 days of the event.** See the “Changing Your Elections During the Year” section for details. More detailed life events information is also available on www.ncflex.org under General Benefits Information.*



Online Enrollment Participants

If you are enrolling online, you will have additional tools and resources available to you.

Online Resources

Visit the website at www.ncflex.org for additional benefit tools and resources. From the home page, get the information you need.

A Current Enrollment Information: This will have the latest NCFlex Enrollment Guide.

C Documents and Links: Visit this section for information on the benefits offered.

B Hot Topics: Visit this section for the latest NCFlex benefits news.

D Life Events: From here you can see what you need to do during a life event or status change event.

Online

The screenshot shows the website for the North Carolina Office of State Personnel. At the top, there is a navigation bar with tabs for "Recruit", "Reward", "Develop", "Guide", and "Support". The main content area is divided into several sections:

- Reward : Benefits for State Employees :** This section features the "NCFlex Flexible Benefits" logo and a description of the program. It includes a "Disclaimer" and a "Current Enrollment Information" section with links to the 2013 NCFlex Online Enrollment Guide, 2013 BEACON Enroll Guide, and Online Enrollment (Aon Hewitt, formerly Reallife HR) and (Best Shared Services—BEACON) with contact information.
- Hot Topics/NewsFlash:** This section lists various news items such as "OTC Eligible Items", "Online FSA Claims Submission Process", "Sensible Savings Sessions Information and Registration", "FSA Claims Kit", and "News Flash".
- Resources:** This section includes links to "FAQs" and an "Imputed Income Calculator (for Group Term Life)".
- Documents and Links:** This section is titled "DOCUMENTS AND LINKS" and contains a search bar and a list of links for various benefits and life events, including Dental, Vision, Cancer, Critical Illness, Core AD&D, Voluntary AD&D, Group Term Life, Flexible Spending Accounts and Health Care Debit Card, Marriage, Birth or Adoption, Child Losses/Gains Plan Eligibility, Spouse Employment Change, Divorce or Legal Separation, Dependent Death, Employee Death, Transfer, Termination (Employee Termination Notice), Retirement, COBRA Continuation, and Changing Your NCFlex Elections.

Changing Your Elections During the Year

Qualifying Life Events

Each year you can choose to participate in any or all of the NCFlex benefits. Once you have decided to participate, **you cannot change or cancel that decision during the year unless you have a life event — a change in family or employment status.**

These events include, but are not limited to:

- Marriage
- Divorce or legal separation
- Birth or adoption (or placement of adoption) of a child
- Death (yours or that of a covered dependent)
- Unpaid leave of absence for you or your spouse
- Change in your employment status (i.e., changing from full-time to part-time)
- Change in your spouse's employment, impacting his/her benefits eligibility
- Your dependent turns age 26

For more details about qualifying life events and the steps you need to take when one of them occurs, visit the "Life Events" section under the "General Benefits Info" tab at www.ncflex.org.

If you wish to change your elections, you must notify your HBR or benefits department of any change in status within **30 days** of the event. Online enrollment participants may make status changes online. Valid changes to your elections are **effective on the first day of the month following the date of your life event.**

The changes you want to make to your benefits **must be consistent with the life event.** All benefits changes are subject to approval. Some plans are subject to waiting periods or require Evidence of Insurability (EOI). The Dental Plan and Vision Care Plan do not permit participants to change options during the plan year. (For example, Low Option to High Option or Plan 1 to Plan 2, or vice versa.)

Non-Qualifying Life Events

If any events other than those listed above occur, check with your HBR to see if you may make changes to your NCFlex coverage during the year. Some examples of events that do not allow you to change your NCFlex elections are:

- rehired within 30 days of termination date;
- the benefit cost is too high/you did not realize how much was going to come out of your paycheck;
- you decided you do not like the coverage; or
- you need more money in your paycheck.

Transfers

The State of North Carolina is the employer for the NCFlex benefits. When you transfer between a state agency, university or select community college, you cannot make changes to your elections or elect new benefit options. You must transfer your existing NCFlex benefits to the new employing state agency, university or select community college. **You must notify your new HBR or benefits department of your existing NCFlex elections.**

Limitation Affecting Increases to Spending Account Election

If you use an approved life event to increase your election amount to your HCFSAs or DDCFSAs, reimbursement of expenses incurred prior to the change date will be limited to your original account maximum and not the new maximum. For example, if you elect \$1,000 for the plan year, then increase your plan-year maximum to \$1,200 on July 1, you cannot be reimbursed more than \$1,000 for expenses incurred prior to July 1.

Limitation Affecting Changes to Dental and Vision Elections

A waiting period may apply to dental coverage. There are also enrollment and benefit limitations for vision coverage. Refer to these sections within this guide for more information.

IMPORTANT NOTES

- *Review your pay stub to make sure your deductions are correct. If deductions are incorrect on your pay stub, contact your HBR or benefits department immediately.*
- *If you change banks or bank accounts during the year, you will need to notify your HBR or benefits department if you participate in the FSAs, so your reimbursements will be credited to the correct account.*

To participate, you **MUST ENROLL** in this plan each year.

Health Care Flexible Spending Account

The Health Care Flexible Spending Account (HCFSA) is simple to use. By participating you choose to contribute a set amount to your account through payroll deductions on a pre-tax basis. When you enroll in the HCFSA you will receive the NCFlex Convenience Card debit card to use for eligible expenses. There is no cost for the NCFlex Convenience Card. Cards are good for three years from the date of issue. If you are enrolled in the 2012 HCFSA and are re-enrolling in the account for 2013, your NCFlex Convenience Card will automatically be loaded with your new HCFSA election amount. Claims can be submitted for reimbursement via the claims upload feature by logging into your FSA account (ncflex.padmin.com) or via fax or mail.

With this account you are reimbursed with the pre-tax dollars you set aside to pay for medical, dental or other health care expenses not reimbursed by a health plan. This account can benefit almost all eligible employees, their spouses, children and dependents who satisfy the "Dependent Eligibility" rules in the "NCFlex Program" section.

You never have to pay taxes on the money you receive from your spending account for qualified expenses. That means permanent tax savings, which helps your health care dollars go further. **To participate, you must enroll in this plan each year. FSA Reimbursements are made by direct deposit.**

How to Use Your HCFSA

If you participate in the HCFSA, you decide how much money you want to put into your account. Your annual contribution cannot be less than \$120 a year. **As part of the Health Care Reform Act, the maximum contribution amount is now \$2,500. This rule is effective January 1, 2013.** When enrolling, please remember to elect your annual contribution amount.

New!

When filing a claim, attach your itemized, third-party receipt or the insurance company EOB. Claims for eligible expenses that are not covered by a health care plan can be submitted directly to the HCFSA for reimbursement. If your claim is for a medical condition that is covered by a medical or dental plan, you will need to file your claim with that plan first. After that claim is processed, submit a copy of the EOB, which shows your out-of-pocket expenses, as part of your HCFSA claim. Under most circumstances, the State Health Plan no longer provides EOBs for PPO plan members for routine physician visits. A Claims Status Detail can be obtained on the State Health Plan's website.

Claims are processed every day (with the exception of holidays). Your reimbursement will be issued within one business day once your claim is fully processed. When the payment is issued the reimbursement will be direct deposited into your account within two business days (on average), excluding holidays. If you provide P&A Group your e-mail address, they will automatically notify you when your claim is received and again when it is paid.

Another way you can be reimbursed is to pay for your eligible health care expenses using your NCFlex Convenience Card (see page 10 for details).

Claim reimbursement is based on the date you receive health care service, not the date you pay the invoice or the date you are billed, which must be within January 1, 2013 (or your plan effective date) and March 15, 2014, provided you remain in the plan for all of 2013. With the HCFSA, you can be reimbursed for your entire claim up to your plan-year election minus any previous claim reimbursements, even if that amount has not yet been deducted from your pay. This is a big advantage because you can take care of your immediate health care needs and then spread out your payments during the year through payroll deductions.

When you enroll in the HCFSA, you will receive a claims kit containing a claim form and the procedures you need to follow when filing a claim. A list of eligible and ineligible expenses is available online. You also may visit the "Forms" section under "Resources" at www.ncflex.org for this information.

Coordinating the HCFSA with Dental and Vision Coverage

If you choose to participate in a dental or vision care plan, you are likely to have some out-of-pocket expenses, such as co-pays, coinsurance and material expenses. Consider putting money into the HCFSA to cover eligible out-of-pocket expenses. By getting a tax-free reimbursement from the HCFSA, you increase the amount you save on your dental and vision care expenses, as well as your medical costs under the State Health Plan. **FSA Reimbursements are made by direct deposit.**

Take Action

Remember to complete all required information and sign your FSA claim form, if filing manually. Unsigned claim forms cannot be processed and will delay your reimbursement.

Direct Deposit

- FSA Reimbursements are made by direct deposit.
- If you change banks or switch accounts, please notify your HBR or benefits department to avoid payment delays.

HCFSA

Eligible Health Care Expenses*

You may use your HCFSAs for reimbursement of the following out-of-pocket health care expenses incurred during the plan year:

- deductible(s) and co-payments you have to pay under your health care plan or under your spouse's plan;
- the portion of covered expenses you have to pay (called a coinsurance) for any medical or dental bills after you have met your deductible;
- any amounts you are required to pay after reaching your maximum benefit under a medical or dental plan;
- over-the-counter medicines, vitamins and supplements, **only with a physician's prescription**; and
- other allowable expenses including, but not limited to:
 - dental expenses
 - hearing aid and its batteries
 - infertility treatment
 - insulin and diabetic supplies
 - mileage (\$0.23 per mile for 2013) to/from medical provider's office for treatment (**Note:** IRS subject to change during the year)
 - orthodontia
 - prescription drugs
 - refractive surgery (RK, PRK, LASIK)
 - smoking cessation programs and drugs/medical supplies
 - tuition at special school or specially trained tutor for disabled
 - vision expenses (exams, glasses, frames)
 - weight reduction program (prescribed by doctor to alleviate a diagnosed medical condition or obesity), but plan food is not covered

*Some health care expenses may require a letter of medical necessity written by an authorizing physician. There is a standard form available under "Forms" in the "Resource" section at www.ncflex.org that your physician can complete.

*In accordance with the federal legislation, under the Health Care Reform Act, over-the-counter medications will **not be eligible for reimbursement** through the HCFSAs unless you have a doctor's prescription for the expense.*

For the expenses listed above to be eligible, they must be incurred for medical care and not reimbursable by a health plan.

IMPORTANT NOTE: Extension of FSA Expense Period

Expenses can be incurred between January 1, 2013 (or your plan effective date) and March 15, 2014, provided you remain active for all of 2013. Claims for expenses incurred during this extension must be postmarked, faxed or submitted online by April 30, 2014.

Eligible and Ineligible Expenses

Log on to www.ncflex.org for a complete listing of eligible and ineligible expenses. Go to Resources > Forms > FSA > then FSA Claims Kit—Expanded Version.

Ineligible Health Care Expenses

Medical, dental and other premiums cannot be reimbursed through the HCFSAs. In addition, elective cosmetic procedures and similar expenses are not allowable expenses according to the IRS. Other common ineligible expenses include:

- over-the-counter medications, vitamins and supplements, unless prescribed by a physician;
- cosmetic procedures that are not to correct a congenital deformity or disfigurement due to an accident or disease;
- dental procedures to whiten your teeth; and
- weight loss programs, unless prescribed by a doctor to alleviate a diagnosed medical condition or obesity.

Plan Carefully

Carefully consider your contributions to the HCFSAs. **Under IRS regulations you will lose money remaining in your account after the deadline to submit eligible claims — April 30, 2014.**

Therefore, you should estimate carefully and conservatively, only setting aside money you feel certain you will spend out of your own pocket for health care expenses during the plan year.

Remember, your NCFlex Convenience Card may not be used for all over-the-counter purchases.

Termination of Employment

If you terminate employment or coverage during the plan year, you may submit claims for services incurred before your coverage termination date. **Services incurred after this date cannot be reimbursed unless you elect to continue coverage under COBRA.** In accordance with IRS regulation, any unused money in your account is forfeited and remains with the State.

HCFSA Worksheet

An important part of planning carefully is using the HCFSA worksheet below to identify your and your family members' out-of-pocket expenses for the upcoming plan year. The HCFSA worksheet is also available online by visiting www.ncflex.org under the "Forms" section.

This worksheet will help you calculate how much you may want to deposit in the HCFSA. Just follow the steps below.

- Step 1: Based on your records for the past few years, fill in your anticipated eligible expenses.
- If the expense is paid by a health care plan, enter your copayment and any deductible.
 - If the expense is not covered by the health care plan, enter the entire cost.

Step 2: Add up the total annual expenses for yourself and your family.

Step 3: Enter this amount in the Online Enrollment system.

Cost For:	For You	For Your Spouse	For Your Children
Medical plan deductibles	\$ _____	\$ _____	\$ _____
Medical plan co-payments	\$ _____	\$ _____	\$ _____
Birth control pills or devices	\$ _____	\$ _____	\$ _____
Prescription drug co-payments	\$ _____	\$ _____	\$ _____
Routine physicals/exams	\$ _____	\$ _____	\$ _____
Dental care/orthodontia	\$ _____	\$ _____	\$ _____
Vision care	\$ _____	\$ _____	\$ _____
Hearing care	\$ _____	\$ _____	\$ _____
Health services/supplies	\$ _____	\$ _____	\$ _____
Other eligible expenses	\$ _____	\$ _____	\$ _____
Total Annual Health Care Expenses:	\$ _____	+ \$ _____	+ \$ _____

Your Annual Election:

(Enter this amount in the Online Enrollment system)

= \$

Tax Considerations

The HCFSA is based on current tax laws and gives you the advantage of those laws. Please keep in mind the following tax considerations before participating in the HCFSA:

- Plan participation may affect your future Social Security retirement benefits. This could happen if your taxable pay, after spending account contributions are taken out, is below the Social Security Taxable Wage Base. For most employees, the immediate tax savings is of far greater benefit than the long-term impact on Social Security benefits.

- Participation in the plan will not affect the amount you may contribute to a 401(k), 403(b) or 457 retirement plan.
- You cannot claim the same expenses through the HCFSA and on your tax return. Currently, only health care expenses over 7½% of your adjusted gross income are deductible for income tax purposes. But with the HCFSA, you can save taxes immediately on the very first dollar not reimbursed by your health care plan.

Note: You should consult with your tax advisor on these issues and whether someone qualifies as your income tax dependent.

NCFlex Convenience Card

When you enroll in the HCFSAs you will automatically receive the NCFlex Convenience Card at no cost to you! If you are currently enrolled in the 2012 HCFSAs and wish to re-enroll in the 2013 plan, your current NCFlex Card will automatically be re-loaded with the amount you elect for the 2013 plan year. If you are new to the plan and this is the first time you will receive a card, please note the card must be activated first. Conveniently pay your eligible HCFSAs expenses incurred by you and your dependents by swiping your card at the point-of-service. Purchases you make using the NCFlex Convenience Card are funded by the money in your HCFSAs.

How It Works

Your NCFlex Convenience Card automatically checks your account for available balances. Anytime you incur an eligible HCFSAs expense with a vendor that accepts credit cards, simply swipe your NCFlex Convenience Card at the point-of-service and the expense will be deducted from your account. You have until March 15, 2013, to exhaust any remaining balance in your 2012 HCFSAs. After that date, the NCFlex Convenience Card will deduct eligible expenses from your 2013 HCFSAs.

STEP 1: Swipe your NCFlex Convenience Card and sign the receipt.

- There is no PIN to remember — the NCFlex Convenience Card uses your signature as verification.
- When swiping your NCFlex Convenience Card, always choose “credit” and not “debit.”
- As a reminder, the IRS may require a receipt/ or documentation to process certain convenience card transactions and to ensure your card is being used for eligible expenses only. In the event that you may be asked to provide additional documentation of your purchase, please keep your receipts.
- **If you do not submit requested receipts/ documentation within 40 days of the transaction date, your card will be turned off (or blocked) automatically and future claims may be used to offset the transaction.**

STEP 2: Claim Submission Methods

If your provider doesn't accept debit or credit cards you can still be reimbursed for your HCFSAs eligible expense. Pay out-of-pocket for your expense and save a copy of your receipt. File a claim with P&A and include a copy of your receipt to receive reimbursement. There are two ways to file a claim:

- 1) Enter a claim online via the P&A electronic claim upload process. Log into your P&A Account by going to ncflex.padmin.com and selecting the “Upload a Claim” feature under Member Tools.
- 2) Fill out a claim form and submit it to P&A via fax or mail, along with a copy of your receipt.

With the HCFSAs, you can be reimbursed for your entire claim up to your plan-year election minus any previous claim reimbursements, even if that amount has not yet been payroll deducted into your account.

How to Sign up

If this is your first time enrolling in the HCFSAs you will receive a card in the mail after you enroll. Your NCFlex Convenience Card can be activated by visiting padmin.com/activatecard or calling (888) 879-4304 before use.

You may request an additional NCFlex Convenience Card at anytime during the year by calling (866) 916-3475 or going online to ncflex.padmin.com.

Remember, cards are good for three years from the date of issue and will NOT be automatically re-issued each January. If you already have an NCFlex Convenience Card do not throw it away! Your 2013 HCFSAs annual election amount will be re-loaded onto your existing card.

Additional Cards

You may order an additional card for your spouse or dependent (over 18 years of age) free of charge. To order additional cards call (866) 916-3475 or go online to ncflex.padmin.com and log into your account to access the P&A Additional Benefits Card Order Form.

IMPORTANT NOTE:

- *The NCFlex Convenience Card is no longer available for Dependent Day Care participants.*
- *The NCFlex Convenience Card cannot be used for over-the-counter medicines.*

To participate, you **MUST ENROLL** in this plan each year.

Dependent Day Care Flexible Spending Account

The Dependent Day Care Flexible Spending Account (DDCFSA) is designed to benefit employees with young dependent children or disabled dependents of any age. Eligible day care expenses may be reimbursed for:

- your “qualifying child” (including a stepchild, foster child, child placed for adoption, or younger brother or sister) under age 13 who has the same principal residence as you for more than one-half of the year and does not provide more than one-half of his or her own support during the calendar year; or
- your qualifying child (as defined above) of any age, spouse or other dependent who receives over one-half of his or her support from you (e.g., your disabled elderly parent), who is physically or mentally incapable of caring for himself or herself and has the same principal place of residence as you for more than one-half of the year. To reimburse day care received outside of your home, your disabled dependent must spend at least 8 hours per day in your home.

Special rules apply for divorced or separated parents with dependent children. Generally, your child must be your dependent for whom you can claim an income tax exemption. In other words, you must have legal custody of your child for over one-half of the year for your day care expenses to be reimbursed through the DDCFSA.

Note: You should consult with your tax advisor if you have questions about whether someone qualifies as your income tax dependent.

When enrolling, you choose to contribute a set amount of money to your account through payroll deduction on a pre-tax basis. When you have an expense that qualifies for reimbursement, just submit a claim with any necessary documentation and you will receive a tax-free reimbursement.

With this account you are reimbursed with pre-tax dollars for child care or dependent adult care expenses you incur while working. If you are married, expenses are eligible expenses only if the expenses are necessary so that you and your spouse can work or attend school full-time. Your spouse also may be unemployed but actively looking for work.

To participate, you must enroll in this plan each year. DDCFSA Reimbursements are made by direct deposit

How to Use Your DDCFSA

You decide in advance how much money you want to put into your account for the full year. If you participate in the DDCFSA, your annual contribution cannot be less than \$120 a year. If you are single or if you are married and file a joint tax return, your annual maximum contribution is \$5,000 a year. If you are married and file a separate tax return, your annual maximum contribution is \$2,500 a year. These maximum limits comply with federal tax regulations. When enrolling, please remember to elect your annual contribution amount.

When filing a claim, attach a receipt that shows the amount of the charge and date of service with your dependent day care provider's tax identification number or Social Security Number.

Claims are processed each day (with the exception of holidays). Your reimbursement will be issued within one business day once your claim is fully processed and adjudicated. When the payment is issued the reimbursement will be direct deposited into your account within two business days (on average), excluding holidays. If you provide P&A Group your email address, they will automatically notify you when your claim is received and again when it is paid.

Claim reimbursement is based on the date you receive the dependent day care service, not the date you pay the invoice or the date you are billed, which must be within January 1, 2013 (or your plan effective date) and March 15, 2014, provided you remain active through December 31, 2013. **You will be reimbursed up to your available balance in your DDCFSA on the processing date.**

When you enroll in the DDCFSA, you will receive a claims kit containing a claim form, and the procedures you need to follow when filing a claim. A list of eligible expenses is available online. You also may visit www.ncflex.org for this information.

Take Action

Remember to complete and sign your FSA claim form, if filing manually. Unsigned claim forms cannot be processed and will delay your reimbursement.

Direct Deposit

- DDCFSA Reimbursements are made by direct deposit.
- If you change banks or switch accounts, please notify your HBR or benefits department to avoid payment delays.

DDCFSA

Eligible Dependent Day Care Expenses

Under tax laws, dependent day care expenses are eligible only if the expenses are necessary so that you and your spouse can work or attend school full-time. In addition, your spouse also may be unemployed but actively looking for work. If your spouse works part-time, your election may not exceed the lesser of your annual income or your spouse's annual income.

You can be reimbursed through your DDCFSA for:

- payments to nursery schools, day care centers or individuals who satisfy all state and local laws and regulations;
- payments for before-school care and after-school care beginning with kindergarten and higher grades;
- payments to relatives for care of a qualifying dependent(s); however, the relative cannot be your tax dependent or your child if under age 19 as of the end of the calendar year; and
- payments (in lieu of regular day care) to day camp (e.g., soccer, computers, etc.), but not overnight camps.

Eligible and Ineligible Expenses

Log on to www.ncflex.org for a complete listing of eligible and ineligible DDCFSA expenses. Go to Resources > Forms > FSA, then FSA Claims Kit–Expanded Version.

Ineligible Dependent day Care Expenses

Some common ineligible expenses include:

- tuition expenses for education of a qualified dependent beginning with kindergarten and higher grades;
- expenses incurred while you and/or your spouse are not working (except for short temporary absences like vacation and minor illnesses);
- expenses for overnight camps;
- transportation fees;
- prepayment for services not received while covered; and
- late payment fees.

IMPORTANT NOTE: Extension of FSA Expense Period

Expenses can be incurred between January 1, 2013 (or your plan effective date) and March 15, 2014, provided you remain active for all of 2013. Prior year claims must be postmarked, faxed or submitted online by April 30, 2014.

Plan Carefully

Carefully consider your contributions to the DDCFSA. **Under IRS regulations, you will lose money remaining in your account after the deadline to submit eligible claims — April 30, 2014.** Therefore, you should estimate carefully and conservatively, only setting aside money you feel certain you will spend out of your own pocket for dependent day care expenses during the plan year.

Termination of Employment

If you terminate employment or coverage during the plan year, you may submit claims for services incurred on or before your coverage termination date. Services incurred after your termination date will be reimbursed up to your available balance*. In accordance with IRS regulation, any unused money in your account is forfeited and remains with the State.

**Only pertains to the Dependent Day Care FSA.*

Important Issues

If both you and your spouse contribute to this plan or to a similar plan where he or she works, the IRS only allows a maximum family contribution of \$5,000 per calendar year.

Keep in mind your annual election cannot be greater than either your annual income or your spouse's annual income, whichever is lower.

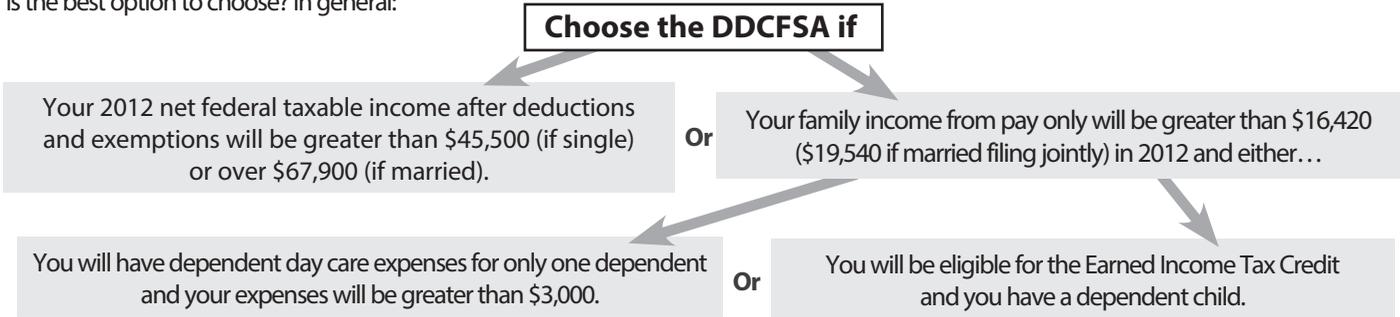
Certain IRS rules also affect the amount you may elect on a pre-tax basis:

- If your spouse is a full-time student or totally disabled, your spouse is treated as having income of \$250 a month (\$500 a month if two or more dependents receive dependent day care). If your spouse is actively looking for work, your spouse's income for the year must exceed your DDCFSA annual election.
- If you are considered highly paid by the IRS (earning over \$160,000 in the previous plan year of 2012 and indexed for inflation in future years), your pre-tax dependent day care election may need to be adjusted based on the results of IRS discrimination tests. If you are affected, you will be notified.
- If you are divorced or legally separated, you must have legal custody of your child for over half the year to participate in the DDCFSA.

Note: The NCFlex Convenience Card is no longer available for Dependent Day Care participants.

DDCFSA or Tax Credit: What Combination Is Right for You?

Both the DDCFSA and the tax credit are designed to save you money on your dependent care expenses by reducing your taxes. But which is the best option to choose? In general:



Eligibility for Earned Income Tax Credit: Several issues help determine eligibility for this tax credit. Typically, the main issue for eligibility is if your income from pay (minus any pre-tax benefit deductions) is low enough to qualify.

- If you have one dependent child, your 2012 family income from pay only must be less than \$36,920 (\$42,130 if you are married and filing jointly) to qualify.
- If you have more than two dependent children, your 2012 family income from pay only must be less than \$41,952 (\$47,162 if you are married and filing jointly) to qualify.

Pre-tax contributions you make for health care coverage and flexible spending accounts can help reduce your earned income to the threshold needed to qualify for the Earned Income Tax Credit — capitalized in the box above — or they can increase the amount of your credit.

The dollar amounts shown above are based on federal and North Carolina tax law and estimated 2012 tax brackets. The actual tax brackets may be different, depending upon inflation through August. You may want to consult your tax advisor for further assistance.

Tax Considerations

The DDCFSA is based on current tax laws and gives you the advantage of those laws. Please keep in mind the following tax considerations before participating in the DDCFSA:

- You may prefer to use your dependent day care expenses to claim a Child Care Credit when you file your federal and state income tax returns. The law permits you to use the Child Care Credit or the DDCFSA but not for the same expense. (Your Child Care Credit is reduced dollar-for-dollar by any amount you claim through the DDCFSA.) The spending account is an alternative way to save taxes for those employees who may prefer not to file for the Child Care Credit or who would receive greater tax savings through the DDCFSA.
- Plan participation may affect your future Social Security retirement benefits. This could happen if your taxable pay, after spending account contributions are taken out, is below the Social Security Taxable Wage Base. Most employees, the immediate tax savings is of far greater benefit than the long-term impact on Social Security benefits.
- Participation in the plan will not affect the amount you may contribute to a 401(k), 403(b) or 457 retirement plan.

2013 Child Care Credit

Please consider the following when deciding between using the Child Care Credit and the DDCFSA:

- The maximum eligible dependent day care expense under the Child Care Credit is \$2,400 for one child and \$4,800 for two or more children (*subject to change per IRS guidelines*).
- The maximum Child Care Credit percentage is 20% to 30%, depending on your income.
- The adjusted gross income level at which the Child Care Credit begins to phase out is \$15,000.

Refer to the DDCFSA vs. Tax Credit chart above for more information or ask your tax advisor which program or combination of programs offers you the greatest tax savings.

DDCFSA Worksheet

An important part of planning carefully is using a worksheet to identify your dependent day care out-of-pocket expenses for the upcoming plan year. The DDCFSA worksheet is also available online by visiting www.ncflex.org, under the "Forms" section.

To get an idea of your dependent day care expenses, take a look at your records for the past few years. Using this information, add any new types of expenses you anticipate and complete the following worksheet:

Upcoming Plan Year

Child care (children under age 13)	\$ _____
Dependent adult day care	\$ _____
FICA and other taxes you pay for the above care providers	\$ _____
Day camp (not overnight camp)	\$ _____
Cost for preschool (prior to kindergarten)	\$ _____

Total Annual Expenses:

= \$ _____

Your Annual Election:

= \$ _____

(Enter this amount in the Online Enrollment system)

Remember...

If you are single or married and filing jointly, the most you can deposit in the DDCFSA is \$5,000 in a calendar year. If you are married and filing separately, the maximum is \$2,500 a year. If both you and your spouse can contribute to this plan or to a similar plan where he or she works, the maximum family contribution is \$5,000.

Keep in mind your annual election cannot be greater than either your annual income or your spouse's annual income, whichever is lower.

Certain IRS rules also affect the amount you may elect on a pre-tax basis:

- If your spouse is a full-time student or totally disabled, your spouse is treated as having income of \$250 a month (\$500 a month if two or more dependents receive dependent day care). If your spouse is actively looking for work, your spouse's income for the year must exceed your DDCFSA annual election.
- If you are considered highly paid by the IRS (earning over \$160,000 in the previous plan year of 2012 and indexed for inflation in future years), your pre-tax dependent day care election may need to be adjusted based on the results of IRS discrimination tests. If you are affected, you will be notified.
- If you are divorced or legally separated, you must have legal custody of your child for over half the year to participate in the DDCFSA.

This benefit does not require annual enrollment

Dental

Why You Should Consider Dental Coverage

Proper dental care can help you keep your teeth and mouth healthy. It may also be able to help you avoid certain medical conditions, such as heart disease, stroke, diabetes, respiratory disease and preterm births. That is why it is so important to have a dental plan that covers both preventive and non-preventive care. Enrollment in the NCFlex pre-tax dental plan can help you care for your smile and your body.

Affordable Plan Options

When enrolling for the NCFlex dental plan, you can choose from either the High Option Plan or the Low Option Plan. This gives you the flexibility to choose the plan that's right for both your dental health needs and your budget.

With either plan option, you can visit a network or a non-network dentist and get the same amount of coverage, but you can save more money by visiting a Concordia Advantage Plus network dentist. That's because United Concordia's network dentists have agreed to provide services at rates that offer significant savings to you. Please see the "Summary of Benefits" section on page 16 to review the services covered under each plan.

Enrolling in an NCFlex Dental Plan

If you are currently enrolled in NCFlex dental, you are not required to re-enroll. **Your current dental plan election will carry over, unless you make a change during annual enrollment.**

To avoid waiting periods for dental services, it is important for you to enroll in NCFlex dental when first eligible — within 30 days of your employment date. Changing a dental benefit election at annual enrollment or enrolling after 30 days from your employment date as a result of a qualifying life event may subject you and your dependents to waiting periods. Refer to the "Benefit Waiting Periods" chart on page 17.

Changing Dental Plan Options

Once you select your dental plan option (High Option or Low Option) you must keep that option for the entire plan year, even if you have a qualified life event. You may change your dental option during the annual enrollment period only (for example, Low Option to High Option or High Option to Low Option); however, waiting periods may apply.

The "Benefit Waiting Periods" chart on page 17 provides information on how the waiting period affects the date benefits are payable for each type of service.

The Dental Plan is administered by United Concordia and underwritten by United Concordia Life and Health Insurance Company. For information regarding claim payment, refer to the Certificate of Coverage found at www.ncflex.org.

Monthly Cost

Rate Tier	High Option	Low Option
Employee Only	\$ 37.40	\$ 21.34
Employee and Spouse	\$ 75.00	\$ 43.04
Employee and One Child	\$ 71.96	\$ 41.30
Employee and Two or More Children	\$ 90.96	\$ 52.62
Family	\$ 132.42	\$ 73.68

Dental Claims Processing

United Concordia encourages you to discuss your treatment plan with your provider and submit a pre-estimate before the **work begins** if the estimated charge for a particular dental service is expected to be \$300 or more.

To submit a pre-estimate, just ask your dentist to submit the proposed treatment plan, applicable x-rays, supporting documents and estimated charges to United Concordia. This provides an opportunity for you, your dentist and United Concordia to review the proposed course of treatment and estimated fees.

In addition, certain procedures require supporting documentation of clinical evidence for approval. (Refer to the "Summary of Benefits" on page 16.) The Dental Claims Processing Guide contains complete details regarding required supporting documents for claim processing. **Important Note: Claims must be filed and received by the dental plan within 365 days from the date of service.**

Need More Information?

Visit...	And look under...	To find...
www.ncflex.org	Forms	Dental Claims Processing Guide
	General Benefits	Frequently Asked Questions
www.unitedconcordia.com	Members, then Clients' Corner	<ul style="list-style-type: none"> My Dental Benefits (benefits information, claims history, etc.) Dental Claims Processing Guide Frequently Asked Questions A network dentist search tool

Or call Customer Service at 1-800-291-8039 to speak with a representative from 8 a.m. to 8 p.m., Monday–Friday, or to use our 24/7 automated system. Your 12-digit ID number found on your ID card must be used when accessing the 24/7 automated system.

Summary of Benefits

Important Note: This is only a summary of the benefit plan. You may review and/or obtain a copy of the Certificate of Coverage by selecting “Certificates” under the “General Benefits Info” tab on www.ncflex.org. You may register on My Dental Benefits at www.unitedconcordia.com to get information about what is and is not covered on your plan. Payments for services are subject to **maximum amounts allowed** by the plan.

Benefit Category	High Option Plan Pays	Low Option Plan Pays
Type I — Diagnostic and Preventive		
Oral Examinations (2 per calendar year)	100% High Option Plan includes Preventive Incentive feature—all Type I services are excluded from your annual maximum, leaving you with more benefit dollars to use for other covered services.	100%
Cleanings (2 per calendar year)		
X-rays (bitewing x-rays — 1 per calendar year; full-mouth radiograph series or panoramic series — 1 every 5 years)		
Topical Fluoride (2 per calendar year under age 19)		
Sealants for Permanent First and Second Molars (under age 16; see Certificate for frequencies)		
Space Maintainers (under age 19)		
Type II — Basic Services (Supporting documentation required for Periodontal Services*)		
Fillings (amalgam, synthetic or composite; replacements limited to once every 12 months)	80%	50%
Simple Extractions		
Endodontics (root canal treatment)		
General Anesthesia		
Oral Surgery (wisdom teeth extractions)		
Re-cement Crowns, Inlays, Bridges		
Repair of Removable Dentures		
Periodontal Services* (gingivectomy, gingivoplasty, osseous surgery, scaling and root planing)	50%	
Periodontal Maintenance after Therapy* (2 per consecutive 12 months)		
Type III—Major Services (Not covered under the Low Option Plan; supporting documentation is required)		
Crowns, including Single Implant Crowns* (not eligible for dependent children under age 14; replacements limited to every 7 years. Single prosthetic procedures are considered completed on the date they are inserted, not the date of impression.)	50%	Not Covered
Dentures* (replacements limited to every 5 years)		
Bridges* (replacements limited to every 5 years)		
Fixed Bridge Repairs*		
Denture Adjustments/Relining* (within 6 months of initial denture placement)		
Implants*		
Type IV — Orthodontics (High Option only - Dependent children up to age 19)		
Orthodontic treatment in progress (treatment plans not started under the United Concordia plan or started when a member was establishing a waiting period) will be prorated based on the date the benefit is eligible on the United Concordia plan. Reimbursement will not be paid beyond the date the child turns the age of 19.	50%	Not Covered
Maximums/Deductibles		
Calendar-Year Maximum (per covered person; excludes orthodontic services under the High Option Plan)	\$1,250	\$1,000
Lifetime Orthodontic Maximum (per covered person) The lifetime maximum will include any reimbursement received from the prior carrier or the cost of services rendered before waiting period ends.	\$1,500	N/A
Calendar-Year Deductible (per person/per family)	\$50/\$150 for Types II and III only	\$25/\$75 for Types I and II

*These services require supporting documentation of clinical evidence. Complete details regarding required supporting documents for claim processing are in the *Dental Claims Processing Guide*. You may review and/or obtain a copy of this guide by visiting the “Forms” section at www.ncflex.org or visiting the State of North Carolina Clients’ Corner page at the United Concordia website, www.unitedconcordia.com, under the “Members” section.

Benefit Waiting Periods

Important Note: The benefit waiting period refers to the amount of time the employee or dependent must be covered by the plan or a qualified after-tax plan before specified benefits are payable. The plan will not pay (and covered dental services do not include) charges incurred by the insured individual or dependent before the completion of the benefit waiting period. If orthodontic work is started before the waiting period is complete, benefits payable after the waiting period is complete will be pro-rated. The waiting periods outlined below apply to covered services under each plan type. Please see the Summary of Benefits or Certificate of Coverage for details.

DENTAL WAITING PERIODS

Enrolling for the First Time

Employee Status	And you are enrolling in the NCFlex:	The following waiting period applies:			
		Type I (Diagnostic Preventive)	Type II (Basic)	Type III (Major)	Type IV** (Orthodontics)
New Hire (within 30 days)	Low Option	No Waiting Period		n/a (not covered)	
	High Option	No Waiting Period			12 months
Participate in State or Employer-sponsored Plan with Orthodontics*	Low Option	No Waiting Period		n/a (not covered)	
	High Option	No Waiting Period			
Participate in State or Employer-sponsored Plan without Orthodontics*	Low Option	No Waiting Period		n/a (not covered)	
	High Option	No Waiting Period			12 months
Late Entrant (Did not enroll when first eligible or not enrolled in any dental plan prior to effective date of coverage on NCFlex)	Low Option	No Waiting Period	12 months	n/a (not covered)	
	High Option	No Waiting Period	12 months		

Changing Your Dental Option at Annual Enrollment or Due to a Qualifying Life Event

Note: changing dental plan options is only allowed during annual enrollment.	Change	The following waiting period applies:			
		Type I (Diagnostic/Preventive)	Type II (Basic)	Type III (Major)	Type IV** (Orthodontics)
Enrolled in Low Option	High Option	No Waiting Period		12 months	
Enrolled in High Option	Low Option	No Waiting Period		n/a (not covered)	
Enrolled in Either High or Low Option	Add Dependent	Waiting periods for dependents match remaining waiting periods applicable to member at time of addition of dependents.			

*Credit towards waiting periods will be awarded upon receipt of documentation showing continual coverage up to your effective date of coverage on NCFlex. Refer to the NCFlex website at www.ncflex.org (Forms section) for procedures on how to submit the required documentation. **Without documentation, coverage will default to Late Entrant waiting periods as indicated above.**

**Dependent children, up to age 19, participating in the High Option Plan are eligible for orthodontic benefits. Benefits are payable for treatment plans which begin after the benefit waiting period is completed. If orthodontic work is started before the waiting period is complete, benefits payable after the waiting period is complete will be pro-rated. For orthodontic work in process, the lifetime maximum will include any reimbursement received from the prior carrier.

Exclusions and Limitations

This is a partial listing of the exclusions listed with the plan policy. Please refer to your plan certificate for a complete listing. If there are any discrepancies, the plan policy certificate and/or contract shall govern. The policy will not pay for the following dental expenses and services:

- crowns, inlays, cast restorations or other laboratory-prepared restorations on a tooth that is not extensively decayed and/or has a complete cusp fracture and can successfully be restored with an amalgam or composite resin filling;
- procedures, services or supplies which: (a) are not included in the policy's list of covered dental services; or (b) have been rendered before the insured's insurance begins; or (c) have been rendered before any applicable waiting period has been served; or (d) have been rendered after the insured's insurance ends, except as defined under the plan policy;
- any procedure, service or appliance which relates to: (a) the change in bite; or (b) the alteration of the bite with the exception of periodontal surgery; or (c) bite registration; or (d) bite analysis; or (e) occlusal guard;
- pulp caps; adult fluoride treatments; athletic mouth guards; replacement of lost or stolen appliances; myofunctional therapy; infection control; oral hygiene instruction; separate charges for acid etch; treatment of jaw fractures; orthognathic surgery; personal supplies; broken appointments; completion of claim forms; exams required by a third party; travel time; transportation costs; professional advice given on the phone;
- chemotherapeutic agents that are provided on the same day or within 45 days following periodontal scaling or root planing or periodontal surgical procedures;
- procedures, services or supplies which do not have a reasonably favorable prognosis, as determined by us;
- any procedure, service or supply provided primarily for cosmetic purposes;
- services or supplies received as a result of disease, defect or injury due to war or an act of war (declared or undeclared), taking part in a riot or insurrection or committing or attempting to commit an assault or felony; or
- treatment performed outside of the United States of America, other than emergency treatment. For such emergency treatment, the maximum allowable charge shall not exceed the plan's allowable charge.

Review your Certificate or register on My Dental Benefits for a complete overview of your benefit exclusions, limitations and frequencies. You must use your 12 digit ID number to register on My Dental Benefits.

Eligible Dependents

Include your spouse or unmarried dependent child(ren) up to age 26, regardless of student status.



Vision Care

NCFlex offers an excellent Vision Care Plan. The plan is administered by Superior Vision Services (SVS) and underwritten by National Guardian Life Insurance Company. It offers three schedules of benefits — two that provide comprehensive vision care services, including vision examinations, and one that provides benefits for vision care materials but no coverage for vision examinations. You may receive either eyeglasses or contact lenses in a benefit period but not both. You have the following vision plan options:

- Plan 1 — Exam and Materials
- Plan 2 — Materials Only
- Plan 3 — Enhanced Exam and Materials

All plans offer in-network and non-network benefits. Using an in-network provider will result in less expense for you and it is your choice to make. Remember, you are responsible for paying any charges in excess of your covered benefit. When using a non-network provider, you pay the provider in full and submit an itemized bill to SVS. You will be reimbursed the non-network allowance.

You have a choice of over 1,900 vision providers in the SVS network that includes ophthalmologists, optometrists and optical companies. Providers in the SVS network also include many optical chains, plus one-hour and same-day locations throughout the state. If your vision care provider is not part of the SVS network, you or your provider may contact SVS with the provider's name, address and telephone number to begin the provider nomination process.

Cancellation of Coverage

If you elect coverage this year and drop coverage the following year, you will have to wait an additional two years ("lockout" period) before you can re-enroll in the plan. For example, if you enroll for 2013 and drop coverage for 2014, you cannot participate in the plan until 2016.

Cost

The monthly premium you pay for vision coverage is based on the plan you choose and whether you choose to cover yourself only or yourself and your family.

Cost	Employee Only	Employee and Family
Plan 1 (<i>Exam and Materials</i>)	\$ 6.84	\$ 17.38
Plan 2 (<i>Materials Only</i>)	\$ 5.14	\$ 12.72
Plan 3 (<i>Enhanced Exam and Materials</i>)	\$ 9.98	\$ 25.10

Changing Between Plans

During annual enrollment, you may change between Plan 1 (exam and materials), Plan 2 (materials only) or Plan 3 (enhanced exam and materials) with no penalty. Any applicable frame allowance frequency or your eyeglass lens and/or contact lens frequency will carry over between the three plans. For example, if in 2012 you purchased frames under Plan 1 and then move to Plan 2 in 2013, you will have to wait 24 months (2014) before purchasing frames again. If you move to Plan 3, your benefits will start on the next 12 month anniversary.

Refractive Surgery Discount (All Plans)

Ophthalmology surgeons are being contracted to provide refractive surgery (RK, PRK and LASIK) at a 20% discount off their usual and customary surgical fees or a 10% to 15% discount off their total fees. Contact SVS at 1-800-507-3800 for information on this discount.

Coordination with the Health Care Flexible Spending Account (HCFSA)

Even if you do not elect vision coverage, you can still set aside money from your pay on a pre-tax basis and be reimbursed for out-of-pocket vision expenses under the HCFSA. See page 7 for more information.

List of Providers

For a list of vision care providers, you may call the SVS toll-free number at 1-800-507-3800 or visit www.ncflex.org.

Using SVS Benefits with In-Store Discounts

SVS recognizes you may take advantage of the in-store promotions or coupons offered by some of our “in-network” providers. Your SVS benefits are not intended for use in conjunction with these types of offers, nor are the providers contractually obligated to provide discounts in addition to the insured benefit. The provider will allow one discount only:

- the discount to the insurance company (SVS); or
- the discount to you (the sale or coupon).

The choice you make is important. If you go through SVS, you become a beneficiary of the stated coverage. If you choose to utilize the sale or coupon, you pay for all charges in full and submit the receipts to SVS. The SVS reimbursement will be based on the “non-network” rates in your policy. The “in-network” status applies only to the provider when you utilize the insurance, not as a “cash” customer. This is why the “non-network” rates are applied to your reimbursement. Please contact SVS at 1-800-507-3800 for more information before making your purchase.

IMPORTANT NOTE:

This is only a summary of the benefit plan. All final determinations of benefits, administrative duties, and definitions are governed by the Certificate of Insurance. You may review and/or obtain a copy of the Certificate of Coverage by selecting “Certificates” under the “General Benefits Info” tab at www.ncflex.org.

Eligible Dependents

Eligible dependents include your spouse or unmarried dependent child(ren) up to age 26, regardless of student status.

Services Available Under Your Insured Benefit at Additional Cost

No-line bifocal lenses	Progressive power lenses
Slab-off lenses	Polished bevels or faceted lenses
Polycarbonate, polaroid, photochromic lenses	Oversized lenses (larger than 62mm)
Prism lenses	Cosmetic lenses
Tints on lenses (except Rose or Pink #1 or #2)	Frames priced higher than the contracted retail allowance
Scratch coating, UV coating, anti-reflective coating	

Available Discounts for Additional Purchases/ Services from Selected In-Network Providers

The discount benefit is available under all three plans and now provides discounts on the covered pair of frames and lenses.

Discounts are available on additional purchases of eyeglasses and contact lenses, ranging from 10% up to 30% off retail prices. Keep in mind, this additional materials discount will apply to any subsequent purchases of materials after you make your first insured purchase.



Wellness Tip

Protecting your eyes from harmful UV rays is as important as protecting your skin. Wear sunglasses and hats when out in the sun and glare!

Summary of Benefits

	Plan 1 Exam & Materials		Plan 2 Materials Only		Plan 3 Enhanced Exam & Materials	
	In-Network	Out-of-Network	In-Network	Out-of-Network	In-Network	Out-of-Network
Vision Exam	\$20 Co-pay	Up to \$44 Ophthalmologist \$39 Optometrist	N/A	N/A	\$20 Co-pay	Up to \$44 Ophthalmologist; \$39 Optometrist
Contact Lens Exam/Fitting	Standard: Covered in full after \$25 co-pay Specialty: Covered up to \$50 after \$25 co-pay	Not Covered	Standard: Covered in full after \$25 co-pay Specialty: Covered up to \$50 after \$25 co-pay	Not Covered	Standard: Covered in full after \$25 co-pay Specialty: Covered up to \$50 after \$25 co-pay	Not Covered
Frames	Up to \$100 retail plus 20% discount on overages*	Up to \$50	Up to \$100 retail plus 20% discount on overages*	Up to \$50	Up to \$150 retail plus 20% discount on overages*	Up to \$81
Lenses (Pair)						
Single Vision	Covered in Full	\$34	Covered in Full	\$34	Covered in Full	\$34
Bifocal		\$48		\$48		\$48
Trifocal		\$64		\$64		\$64
Lenticular		\$88		\$88		\$88
Lens Options/Upgrades*	In-Network		In-Network		In-Network	
Standard Single Vision Lenses	20% off retail; out-of-pocket not to exceed:		20% off retail; out-of-pocket not to exceed:		20% off retail; out-of-pocket not to exceed:	
Scratch Coat (factory)	\$13		\$13		\$13	
UV Coating	\$15		\$15		\$15	
Standard Anti-Reflective Coat	\$50		\$50		\$50	
High Index 1.6	\$55		\$55		\$55	
Photochromic	\$80		\$80		\$80	
Polycarbonate	\$40		\$40		\$40	
Standard Lined Bifocal & Trifocal Lenses						
Scratch Coat (factory)	\$13		\$13		\$13	
UV Coating	\$15		\$15		\$15	
Standard Anti-Reflective Coat	\$50		\$50		\$50	
High Index 1.6	20% off retail		20% off retail		20% off retail	
Photochromic	20% off retail		20% off retail		20% off retail	
Polycarbonate	20% off retail		20% off retail		20% off retail	
Additional Services Available on Any Lens*						
Progressive	20% off difference b/w retail for desired lens and standard, lined, trifocal lens		20% off difference b/w retail for desired lens and standard, lined, trifocal lens		20% off difference b/w retail for desired lens and standard, lined, trifocal lens	
Plastic Tints; Solid or Gradient	\$25		\$25		\$25	
Glass Coloring	\$35		\$35		\$35	
Power Over 4.00 D Sphere, 2.00 D Cylinder & 5.00 d Prism	20% off retail		20% off retail		20% off retail	
Cosmetic Finishing, Beveling, Edging & Mounting	20% off retail		20% off retail		20% off retail	
Miscellaneous Options	20% off retail		20% off retail		20% off retail	
Contact Lenses- In Lieu of Eyeglasses and Frames						
Elective	Up to \$120 retail	\$100	Up to \$120 retail	\$100	Up to \$150 retail	\$100
Medically Necessary	Covered in Full	\$210	Covered in Full	\$210	Covered in Full	\$210
Frequency of Services						
Vision Exam	12 months		Not Applicable		12 months	
Contact Lens Fitting Exam	12 months		12 months		12 months	
Lenses	12 months		12 months		12 months	
Frames	24 months		24 months		12 months	
Contact Lenses	12 months		12 months		12 months	
LASIK Discount	Vary by in-network provider: flat/ fixed fee, 20% discount off surgical fees, or 10% to 15% discount off total fees	None	Vary by in-network provider: flat/ fixed fee, 20% discount off surgical fees, or 10% to 15% discount off total fees	None	Vary by in-network provider: flat/ fixed fee, 20% discount off surgical fees, or 10% to 15% discount off total fees	None
Materials Discount	10% to 30% on 1st pair and additional purchases	None	10% to 30% on 1st pair and additional purchases	None	10% to 30% on 1st pair and additional purchases	None
Anti-Selection	2-year lockout		2-year lockout		2-year lockout	
Contact Lens Formulary	No		No		No	

*From select Providers

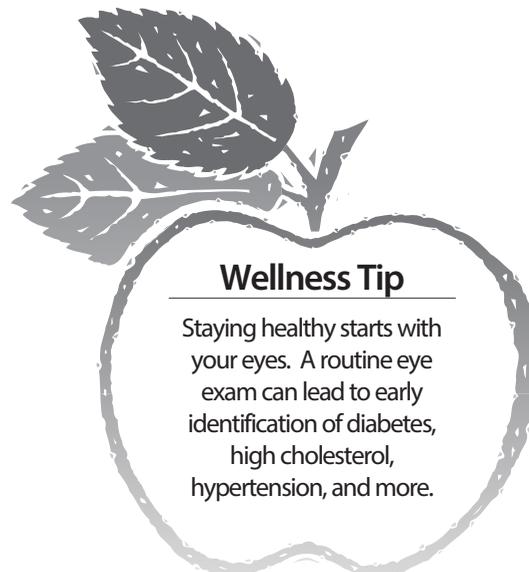
Materials Discount for Covered Pair of Eyeglasses*

Benefit Description	Discount
Frames <i>(Discounts do not apply when prohibited by manufacturer.)</i>	20% off the difference between the covered frame allowance and the retail prices of the selected frame
Lens Options/Upgrade	Discount
Standard Single Vision Lenses <ul style="list-style-type: none"> Scratch Coat (factory)** UV Coat Standard AR Coat** High Index 1.6** Photochromics Polycarbonate 	20% off retail; your out-of-pocket will not exceed: <ul style="list-style-type: none"> \$13 \$15 \$50 \$55 \$80 \$40
Standard Lines Bifocal & Trifocal Lenses <ul style="list-style-type: none"> Scratch Coat (factory)** UV Coat Standard AR Coat** High Index 1.6*** Polycarbonate*** Photochromics*** 	20% off retail; your out-of-pocket will not exceed: <ul style="list-style-type: none"> \$13 \$15 \$50 20% off retail (with no out-of-pocket limit) 20% off retail (with no out-of-pocket limit) 20% off retail (with no out-of-pocket limit)
Additional Services available on any lens <ul style="list-style-type: none"> Plastic Tints; Solid or Gradient Glass Coloring Power Over 4.00 D Sphere, 2.00 D Cylinder & 5.00 D Prism Cosmetic Finishing, Beveling, Edging & Mounting Miscellaneous Options 	20% off retail; your out-of-pocket will not exceed: <ul style="list-style-type: none"> \$25 \$35 20% off retail (with no out-of-pocket limit) 20% off retail (with no out-of-pocket limit) 20% off retail (with no out-of-pocket limit)

* Discounts available from specific providers only.

** Higher-end or brand-name lens upgrades are at an additional expense to member.

*** An out-of-pocket limit does not apply to these lens upgrades or add-ons.



This benefit does not require annual enrollment

Critical Illness

Critical Illness Insurance is administered by MetLife and complements your existing medical coverage but does not replace it. The coverage pays a lump-sum payment of \$15,000. It is possible to receive a total of \$45,000 (see benefit payment example on page 24). You can use the benefit payment as you see fit.

Coverage

MetLife Critical Illness Insurance covers the following medical conditions and groups them into three distinct categories (as defined by the group certificate):

- Category 1 incorporates certain **cancer**-related conditions
- Category 2 incorporates certain **heart**-related conditions
- Category 3 incorporates certain **other** conditions

Category 1 — certain cancer-related conditions

- **Full Benefit Cancer** — Cancer that is invasive with metastasis (spread to other parts of the body) is usually determined to be Full Benefit Cancer*
- **Partial Benefit Cancer** — Cancer that is localized (and has not spread to other parts of the body) is usually determined to be Partial Benefit Cancer*
- **Bone Marrow Transplant**

Category 2 — certain heart-related conditions

- Heart Attack
- Stroke⁺
- Coronary Artery Bypass Graft*
- Heart Transplant

Category 3 — certain other conditions

- Major Organ Transplant (other than bone marrow and heart)
- Kidney Failure

You have the choice of enrolling yourself, your spouse and child(ren).

Eligible Dependents

You must enroll to receive coverage for your dependents. Eligible dependents include your spouse or unmarried dependent child(ren) up to age 26, regardless of student status. If you and your spouse are both eligible to elect this coverage as state agency, university or select community college employees, you both may elect to participate as employees, but only one may enroll for employee and family coverage. An employee may not be covered as both an employee and a dependent. For more information on dependent eligibility, refer to the "Dependent Eligibility" section.

Monthly Cost

Age	Employee Monthly Rate	Spouse Monthly Rate
<25	\$1.50	\$1.50
25 – 29	\$1.80	\$1.80
30 – 34	\$2.84	\$2.84
35 – 39	\$5.10	\$5.10
40 – 44	\$9.14	\$9.14
45 – 49	\$16.04	\$16.04
50 – 54	\$25.80	\$25.80
55 – 59	\$40.34	\$40.34
60 – 64	\$61.20	\$61.20
65 – 69	\$93.14	\$93.14
70 – 74	\$134.84	\$134.84
75 – 79	\$190.94	\$190.94
80 – 84	\$239.70	\$239.70
85+	\$257.54	\$257.54

Rates are based on five-year age bands and will increase when a covered person reaches a new age band. Visit www.ncflex.org to read the disclosure statement for details.

Dependent Child(ren) (All Ages)	Monthly Rate
Employee pays one flat rate no matter how many child(ren).	\$0.92 (per family unit)

Calculating Your Cost Example

Employee age is 43	\$9.14
Spouse age is 39	\$5.10
Three children (varying ages)	\$0.92
Total Monthly Premium	\$15.16

*For more information on the covered condition definitions, visit www.ncflex.org and review the disclosure statement or your individual Certificate.

⁺In certain instances, the covered condition is severe stroke.

Benefit Payment Example

The following is a payment example for anyone [employee, spouse or child(ren)] with the \$15,000 category benefit amount where all group policy and certificate requirements for coverage have been met:

Diagnosed Covered Condition	Category Impacted	Lump-Sum Benefit Payment Received	Category 1: Cancer Remaining Benefit	Category 2: Heart Remaining Benefit	Category 3: Other Remaining Benefit
You are diagnosed as having lung cancer	Category 1: Cancer	\$15,000	\$0	\$15,000	\$15,000
Two years later, you have a coronary artery bypass graft	Category 2: Heart	\$3,750	\$0	\$11,250	\$15,000
The following year, you suffer a debilitating stroke	Category 2: Heart	\$11,250	\$0	\$0	\$15,000
Three years later, you have kidney failure	Category 3: Other	\$15,000	\$0	\$0	\$0
		Total = \$45,000			

The above example illustrates that during the life of the Critical Illness Insurance certificate with a category benefit amount of \$15,000, it is possible to receive a total of \$45,000. This is the maximum amount you could get under a certificate with a \$15,000 category benefit amount. Once you have exhausted 100% of the category benefit amount in each of the three categories, which equals \$45,000, the coverage is terminated and your payroll deduction will stop.*

How Benefits are Paid

You can receive benefit payments in three different categories:

- If you are diagnosed with a covered condition in any of the three categories (cancer, heart, other) and meet the policy and certificate requirements, **you will receive a lump-sum benefit payment up to \$15,000.**
- The lump-sum benefit payment works like this:
 - For Coronary Artery Bypass Graft and Partial Benefit Cancer, you will receive 25% of the category benefit amount or \$3,750. The remaining 75% or \$11,250* will be available should you experience another covered condition within the same category.
 - For all other covered conditions, you will receive 100% of the category benefit amount or \$15,000, provided that you have not received a partial benefit payment for a covered condition in that same category.*
 - After 100% or the maximum of \$15,000 has been paid in any category, that category will close, and you will not receive additional payments for any other covered conditions within that category for your lifetime.
 - If you are later diagnosed with any other covered condition that falls within one of the two remaining categories, you can receive another lump-sum benefit payment up to \$15,000 for the same category.*
 - Once a \$15,000 category benefit payment has been paid in each of the three categories for a total of \$45,000, the coverage is terminated, and your payroll deduction will stop.

Evidence of Insurability (EOI)

During enrollment for the 2013 plan year, you will not need to answer any medical questions or provide EOI to receive this coverage.

Limitations and Exclusions

Waiting Period

There is a 30-day waiting period for all covered conditions.

The waiting period refers to the amount of time the covered person must be covered by the plan before benefits are eligible for payment. Such insurance will be void if the covered person experiences a covered condition during the waiting period, and all premiums paid will be refunded.

Did You Know...

Nearly 53% of employees surveyed are concerned with "having enough money to make ends meet if diagnosed with a critical illness."

— 9th Annual Study of Employee Benefit Trends

*There is a 180-day benefit suspension period between covered conditions in different categories. The benefit suspension period starts when a covered condition occurs. MetLife will not pay a benefit for another covered condition that occurs during this period if it is in a different category than the covered condition experienced at the start of the benefit suspension period. If a covered condition in a different category first occurs during the benefit suspension period, the next occurrence of that covered condition outside of the benefit suspension period will be treated as the first occurrence. The benefit suspension period does not apply within categories.

Pre-Existing Condition Exclusion

A pre-existing condition is a sickness or injury for which, in the 12 months before a covered person becomes insured under a certificate with respect to such covered person medical advice, treatment or care was sought by such covered person, or recommended by, prescribed by or received from a physician or other practitioner of the healing arts. We will not pay benefits for a covered condition that is caused by or results from a pre-existing condition if the covered condition occurs during the first 12 months that a covered person is insured under the certificate.

This is a partial listing of exclusions with the plan policy. Please refer to your Certificate of Insurance for a complete listing. If there are any discrepancies, the Certificate of Insurance shall govern. For residents of states other than North Carolina, coverage may vary. Please visit www.ncflex.org for more information.

Beneficiary

To designate a beneficiary, please visit www.ncflex.org or call MetLife at 1-800-GET-MET8 (1-800-438-6388) for the beneficiary designee form. If you were to become deceased and did not have a designated beneficiary, MetLife would pay out the claim based on the standard facility of payment clause.

Claims

If you need to file a claim, please visit www.ncflex.org or call MetLife at 1-800-GET-MET8 (1-800-438-6388) for a claim form.

Tax Issue

Whenever a benefit claim is paid, a 1099 tax form will be sent to your home address in January of the following year. You should consult with your tax advisor regarding the possible effects of the purchase and/or receipt of benefits under MetLife Critical Illness Insurance on certain other coverage or benefits that you might have or that you might obtain.

Certificate of Coverage

The Certificate of Coverage provides complete details about the benefit and the limits and exclusions. The certificate will be mailed to your home when you sign up for this new benefit or you can visit www.ncflex.org for a copy of your certificate.

Continuation

When your employment ends, you may elect to continue your coverage for yourself and your dependents at the current group rates. You need to apply for continuation of coverage within 45 days of your termination date. For the continuation of coverage forms, please visit www.ncflex.org or contact MetLife at 1-800-GET-MET8 (1-800-438-6388) for more information.

Compare Your Options: Cancer vs. Critical Illness Coverage

Features	Cancer	Critical Illness
Benefit	Reimburses actual expenses up to a specified amount	Pays lump sum \$15,000 upon diagnosis
Covered Illnesses	Cancer and 29 specified diseases such as Multiple Sclerosis, Sickle Cell Anemia, Hepatitis and Lyme Disease	<ul style="list-style-type: none"> • Cancer • *Bone Marrow Transplant • *Heart Transplant • Heart Attack • Stroke <i>*These are treated and paid out separately from Major Organ Transplant</i> <ul style="list-style-type: none"> • Major Organ Transplant • Kidney Failure • Coronary Artery Bypass Graft
Wellness Benefit	Yes	No
Dependent Coverage	Yes	Yes
Coverage Continuation	Portable/Continuation	Continuation
Rating Basis	Composite Rates (Flat rate for employee or family)	Rates based on 5-year age bands
Advantages	<ul style="list-style-type: none"> • Wellness benefit paid for annual cancer screenings • Benefits paid directly to the insured to be used at their discretion • Covers cancer and 29 other diseases • Benefits payable for the treatment of skin cancer • No lifetime maximum on most payable benefits 	<ul style="list-style-type: none"> • Covers multiple illnesses in three distinct categories • Lump-sum benefit is available immediately upon diagnosis • Do not have to submit ongoing expense receipts • Pays even in the event of death • Benefits paid directly to the insured to be used at their discretion

The information in this guide is in abbreviated form only, and it is provided to give you a general understanding of your MetLife Critical Illness Insurance (CII) coverage. If the information in this guide differs from the information in the Certificate of Insurance, the Certificate of Insurance will govern. MetLife Critical Illness insurance is a limited policy. Like most group accident and health insurance policies, MetLife's CII policies contain certain exclusions, limitations and terms for keeping them in force. Product features and availability vary by state. A more detailed description of the benefits, limitations and exclusions applicable to you may be found in the Disclosure Statement. Please contact MetLife for more information.

This benefit does not require annual re-enrollment.

Cancer and Specified Diseases

NCFlex offers Cancer and Specified Disease Insurance through Allstate Benefits (AB). It is hard to face the facts, but cancer will affect many of us — regardless of age, gender or lifestyle. While treatment has advanced the fight against cancer, it still occurs in 1 in 2 men and in 1 in 3 women, according to Cancer Facts and Figures, American Cancer Society, 2010.

Coverage

You can choose between three plan options depending on your cancer insurance needs and specified diseases. All three plan options offer the same type of benefits and/or services. In most cases, however, the amount of coverage differs. The benefits under the Low, High and Premium Options are progressively higher than the previous option. Refer to the “Summary of Benefits” on page 27 for more details.

In addition to cancer coverage, this insurance pays benefits for 29 other specified diseases listed below:

- Amyotrophic Lateral Sclerosis (Lou Gehrig’s Disease)
- Muscular Dystrophy
- Poliomyelitis
- Multiple Sclerosis
- Encephalitis
- Rabies
- Tetanus
- Tuberculosis
- Osteomyelitis
- Diphtheria
- Scarlet Fever
- Cerebrospinal Meningitis (bacterial)
- Brucellosis
- Sickle Cell Anemia
- Thalassemia
- Rocky Mountain Spotted Fever
- Legionnaire’s Disease (confirmation by culture or sputum)
- Addison’s Disease
- Hansen’s Disease
- Tularemia
- Hepatitis (chronic B or chronic C with liver failure or hepatoma)
- Typhoid Fever
- Myasthenia Gravis
- Reye’s Syndrome
- Primary Sclerosing Cholangitis (Walter Payton’s Liver Disease)
- Lyme Disease
- Systemic Lupus Erythematosus
- Cystic Fibrosis
- Primary Biliary Cirrhosis

Cancer benefits are provided by Supplemental, Limited Benefit insurance, policy form GVCP2 or the state variation thereof, underwritten by American Heritage Life Insurance Company, a subsidiary of The Allstate Corporation.

Allstate Benefits (AB) is the marketing name for American Heritage Life Insurance Company (Home Office: Jacksonville, Florida)

Cost

The monthly premium you pay for cancer coverage is based on the plan you choose and whether you choose to cover yourself only or yourself and your family.

Cost	Employee Only	Employee and Family
Low Option	\$6.78	\$11.26
High Option	\$15.68	\$26.06
Premium Option	\$21.64	\$35.96

Examples of Net Cost

Each plan option includes the Cancer Screening Benefit, which pays a benefit for each covered insured **annually** for taking certain tests, regardless of the cost of the test. In addition, since your monthly premium is subtracted from your pay before taxes, you receive tax savings.

The following are a few examples of how the Cancer Screening Benefit and the tax savings affect your total cost for your NCFlex Cancer Insurance.

Option	Annual Cost	Cancer Screening Benefit	Tax Savings (30% Tax Bracket)	NET Annual Cost
Low — Employee	\$81.36 (\$6.78/Month)	\$25	\$24.40	\$31.96 (\$2.66/Month)
High — Family	\$312.72 (\$26.06/Month)	\$200 (2 @ \$100)	\$93.81	\$18.91 (\$1.56/Month)
Premium — Family	\$431.52 (\$35.96/Month)	\$200 (2 @ \$100)	\$129.45	\$102.07 (\$8.51/Month)

Limitations and Exclusions

Pre-Existing Condition — A pre-existing condition is a disease or physical condition for which the covered person received medical advice or treatment during the 12-month period prior to the effective date of the covered person’s coverage. AB does not pay for any loss due to a pre-existing condition during the 12-month period beginning on the date that person became a covered person. This is true whether you are required to provide EOI or not when you apply for the coverage. Any covered loss that is incurred after the 12-month period is payable.

Medicaid Information

For individuals who are eligible for Medicaid, this cancer insurance policy may not be the best choice for you. Benefits assigned under the policy are required to be assigned back to Medicaid.

Summary of Benefits

You must review the Certificates of Coverage for complete details regarding these benefits.

Benefit	Low Option	High Option***	Premium Option***
Cancer Prevention and Screening Benefit* (per calendar year/per covered insured)	\$25	\$100	\$100
Continuous Hospital Confinement (per day) (up to 70 days for each period of continuous confinement)	\$100	\$200	\$300
Extended Benefits** (per day after 70 days)	up to \$100	up to \$200	up to \$300
Surgery*** (per surgery, based on surgical schedule)	up to \$1,500	up to \$3,000	up to \$4,500
Second Surgical Opinion**	up to \$200	up to \$400	up to \$600
Anesthesia**	up to 25% of surgery benefit		
Ambulatory Surgical Center*** (per day)	up to \$250	up to \$500	up to \$750
Radiation/Chemotherapy** (per 12-month period)	up to \$2,500	up to \$7,500	up to \$10,000
Inpatient Drugs and Medicine**	up to \$25 per day while confined in the hospital		
Private Duty Nursing Services** (per day)	up to \$100	up to \$200	up to \$300
New or Experimental Treatment**	up to \$5,000 per 12-month period		
Blood, Plasma and Platelets** (per 12-month period)	up to \$2,500	up to \$7,500	up to \$10,000
Physician's Attendance**	up to \$50 per day		
At Home Nursing** (per day)	up to \$100	up to \$200	up to \$300
Prosthesis**	up to \$2,000 per amputation		
Ambulance**	up to \$100		
Hospice Benefits:			
Freestanding Hospice Care Center** (per day)	up to \$100	up to \$200	up to \$300
Hospice Care Team** (per day; limit 1 visit/day)	up to \$100	up to \$200	up to \$300
Government or Charity Hospital (per day; in lieu of all other benefits in the policy, except the Waiver of Premium benefit)	\$100	\$200	\$300
Outpatient Lodging** (day/per 12 months)	\$50/\$2000	\$50/\$2000	\$50/\$2000
Non-Local Transportation	pays coach fare or \$0.40 per mile		
Family Member Lodging and Transportation (for one adult member of covered person's family)			
Lodging**	up to \$50 per day; maximum 60 days		
Transportation**	round-trip coach fare on common carrier or \$0.40 per mile		
Extended Care Facility** (per day)	up to \$100	up to \$200	up to \$300
Physical or Speech Therapy**	up to \$50 per day		
Comfort/Anti-Nausea**	up to \$200 per calendar year		
Bone Marrow or Stem Cell Transplant			
Transplant other than non-autologous (per calendar year)	up to \$500	up to \$1,000	up to \$1,500
Transplant for non-autologous; treatment of cancer or other specified disease; except Leukemia (per calendar year)	up to \$1,250	up to \$2,500	up to \$3,750
Transplant for non-autologous; treatment of Leukemia (per calendar year)	up to \$2,500	up to \$5,000	up to \$7,500
Waiver of Premium	premiums waived after 90 days of disability due to cancer for insured employee		

* Cancer Prevention and Screening Benefit includes: CA-15-3 (cancer antigen 15-3 blood test for breast cancer); CA125 (cancer antigen 125-blood test for ovarian cancer); CEA (carcinoembryonic antigen-blood test for colon cancer); chest x-ray; colonoscopy; flexible sigmoidoscopy; hemocult stool analysis; mammography; Pap smear; PSA (Prostate Specific Antigen blood test for cancer); and Serum Protein Electrophoresis (test for myeloma). This benefit is paid regardless of the result of the test.

**These benefits are payable based on actual charges up to the maximum amount listed.

***With the High and Premium Options, you have the option to assign the screening benefit to LifeStrive. See page 28 for details.

Exclusions and Limitations — The policy does not pay for any loss except those due from cancer or a covered specified disease. A diagnosis must be submitted to support each claim.

Portability Privilege

The portability feature allows continuation of your cancer coverage when your employment ends or policy terminates, by paying premiums directly to Allstate Benefits (AB).

Certificate of Coverage

The Certificate of Coverage provides complete details about the benefits and the limits and exclusions. For complete details, you must review the Certificates of Coverage located on www.ncflex.org.

Tax Issue

If premiums are paid through your employer's Section 125 cafeteria plan, benefit amounts received from accident and health insurance that exceed qualified medical expenses incurred by you or your covered family members may be taxable for federal and state income tax purposes. It is your responsibility to report this income on your individual tax return(s). Please consult your tax advisor on these issues before making a decision.

LifeStrive®: Enhanced Screening Benefit for High and Premium Option

NCFlex offers you the ability to assign the wellness benefit included with the High Option and Premium Option. By assigning your screening benefit to LifeStrive, you will complete a comprehensive blood screening and be provided with a personalized report. With access to web-based assessment tools, you can use your confidential, personal health profile to learn about how to get and stay well.

LifeStrive: Cancer Coverage Wellness Benefit for High and Premium Options

Health issues, such as cholesterol levels, blood sugar and diabetes, can be detected through a blood test. LifeStrive offers annual blood testing with a report that you can take to your physician to review. You will also have access through a website for the latest information on disease prevention and health topics.

When you elect either the Cancer High Option or the Premium Option, you have \$100 in wellness benefits available for you and each of your enrolled dependents. You may either use the wellness benefit toward a cancer screening, or you may assign the wellness benefit to LifeStrive to participate in an annual blood test, which can help you become aware of potential health risks.

By choosing to assign your \$100 cancer wellness benefit to LifeStrive:

- You will receive an **annual blood test** with the results reported directly to you. You are encouraged to review and take the results to your physician for input and guidance.
- You will have access to a **personalized portal through LifeStrive**, providing internet access to health assessment tools to assist you in understanding health issues you may discuss with your physician.
- The personalized website includes **Trend Tracker**, which will keep track of all your annual blood tests with LifeStrive and enable you to review past blood tests. You will be able to view online videos and health promotion strategies to assist in lowering your risk of illness and improving your overall health.

To learn more about LifeStrive and the valuable services it provides and for the Cancer Wellness Assignment Form, please visit www.ncflex.org under the "General Benefits Info" tab and click on "LifeStrive."

Evidence of Insurability

Evidence of Insurability (EOI) is a way of providing proof of good health. This evaluation may include your current health status, medical history and family medical history. If you are required to submit EOI (see below), Allstate Benefits (AB) must approve your EOI before coverage becomes effective. You can access an EOI form by visiting the "Resources" section at www.ncflex.org. If you are enrolling online, you will be prompted to complete the EOI information.

Determining if EOI is Required

Newly Eligible:

- You may elect coverage on a guaranteed issue basis within 30 days. You do not need to provide Evidence of Insurability (EOI).

Existing Employees:

- If you did not elect Cancer Insurance for your family when it was first offered to you, and you decide to enroll for coverage for the first time, you will need to submit EOI.
- If you did elect Cancer Insurance for yourself when it was first offered to you, and you have a qualifying event, you will not need to submit EOI as long as you enroll your newly eligible dependents within 30 days of the qualifying event.
- If you did not elect Cancer Insurance when it was first offered to you, and you decide to enroll for coverage for the first time, you will need to submit EOI.
- If you elect to increase your coverage during this enrollment or at a later date, EOI will be required.

Submitting EOI

You will be prompted to complete the EOI information as part of the online enrollment process.

You must enroll to receive this no-cost benefit. This benefit does not require re-enrollment.

Core Accidental Death & Dismemberment

The Core Accidental Death and Dismemberment (AD&D) insurance plan is underwritten by A.C. Newman and Company on behalf of Gerber Life Insurance Company (Gerber). It can pay a benefit if you suffer a loss as the result of a covered accident while you are insured under the plan. It also pays a benefit if you suffer certain disabling injuries while covered. The coverage is effective 24 hours a day, 365 days a year. It includes accidents on or off the job, while traveling by car, plane, train, boat or any other public or private form of transportation, excluding while flying in any aircraft that is owned or leased by or on behalf of the State of North Carolina or aircraft being used for or in connection with fire fighting, exploration, pipe or power line inspection or aerial photography. This coverage is in addition to any other coverage you have under any other insurance policy.

Coverage

The amount of insurance provided to you, if elected, at no cost is called the Principal Sum.

Principal Sum	Cost for Employee
\$10,000	\$0.00

If you suffer any one of the losses listed on the chart below, as the result of a covered accident, the loss will be deemed a covered loss and paid, as listed. The maximum percentage paid for losses from any one accident is 100%.

Loss of	Percentage Principal Sum
Life	100%
Sight of Both Eyes	100%
Speech and Hearing of Both Ears	100%
Both Hands or Both Feet	100%
One Hand and One Foot	100%
Loss of Use of Four Limbs	100%
Loss of Use of Three Limbs	85%
Loss of Use of Two Limbs	75%
Loss of Use of One Limb	50%
Either Hand or Foot	50%
Sight of One Eye	50%
Speech or Hearing of Both Ears	50%
Hearing of One Ear	25%
Thumb and Index Finger of Same Hand	25%

Note: Loss of hand means complete, total and irrecoverable loss of use of a hand at or above the wrist. Loss of foot means complete, total and irrecoverable loss of use of a foot at or above the

ankle joint. Loss of sight is defined as complete, total and irrecoverable loss to the sight of an eye. Loss of thumb and index finger is defined as complete, total and irrecoverable loss of thumb and index finger at or above the knuckles. Loss of speech or hearing is defined as complete, total and irrecoverable loss of speech or hearing.

Coverage After Age 70

If you are actively at work at age 70 and beyond, the percentage of the amount payable declines as follows:

Age	Percentage of Full Benefit
70 – 74	65%
75 – 79	45%
80 – 84	30%
85 and older	15%

Worldwide Emergency Travel Assistance Services

These services are provided by Assist America, Inc. to arrange and pay for the following when a medical emergency happens more than 100 miles from your home or in a foreign country:

- Medical Consultation, Evaluation & Referral
- Hospital Admission Guarantee
- Emergency Medical Evacuation
- Critical Care Monitoring
- Medically Supervised Repatriation
- Prescription Assistance
- Emergency Message Transmission
- Transportation to Join Patient
- Care for Minor Children
- Return of Mortal Remains
- Emergency Trauma Counseling
- Lost Luggage or Document Assistance
- Interpreter & Legal Referrals
- Pre-Trip Information

Worldwide Emergency Travel Assistance services are provided by Assist America, Inc. and are available to only you.

Trips exceeding 90 days from legal residence are excluded (unless separate Expatriate coverage is purchased). Call 800-257-0930 for more information.

Other exclusions, limitations and prior notice requirements may apply, and service features, terms and eligibility criteria are subject to change. The service is not valid after termination of the coverage and may be withdrawn at any time.

Underwritten by A.C. Newman & Company on behalf of Gerber Life Insurance Company

The information in this guide is in abbreviated form only. It is provided to give you a general understanding of the Gerber insurance coverage available to you, but it is subject to verification by Gerber. Your actual coverage and amounts are subject to all the terms, limitations and exclusions in your Gerber Certificate of Coverage. If the information in this guide differs from the group insurance policy held by your employer or plan administrator, the terms of that group insurance policy will govern.

What is Excluded from Coverage

Please note that coverage will not be in place during an unpaid leave of absence. We will not pay a claim for a loss that is caused by or resulting from:

- suicide or self-inflicted injury; whether sane or not (in Missouri, while sane);
- bacterial infection, except those which occur with a cut or wound at the time of an accident;
- any kind of disease;
- medical or surgical treatment (except surgical treatment required by the accident);
- war or any act of war;
- injury sustained while riding as a pilot, operator or crew member of any aircraft;
- injury sustained while in any of the armed forces (land, sea or air) of any country or international authority, except while on temporary domestic National Guard or Reserve duty for less than 30 days;
- voluntarily taking any drug, chemical or controlled substance, unless taken as prescribed by a licensed physician;
- committing or attempting to commit a felony; or
- operating any vehicle with a blood alcohol level greater than the legal limit.



Benefit Highlights of Core AD&D and Voluntary AD&D

	Core AD&D	Voluntary AD&D	
	Employee Only	Employee Only	Family
Your Cost Per Month (if elected)	\$0.00	\$1.90*	\$3.00*
Your Benefit Amount	\$10,000	\$100,000 *	\$100,000*
Enroll During Annual Enrollment	✓	✓	✓
Accidental Death & Dismemberment	✓	✓	✓
Accidental Loss of Use	✓	✓	✓
Assist America Worldwide Emergency Travel Assistance Services	✓	✓	✓
Rehabilitation Benefit		✓	✓
Common Disaster Benefit		✓	✓
Survivor's Benefit		✓	✓
Coma Benefit		✓	✓
Accidental In-Hospital Indemnity		✓	✓
College Education		✓	✓
Spouse Training Benefit		✓	✓
Seat Belt Benefit		✓	✓
Air Bag Benefit		✓	✓
Criminal Assault Benefit		✓	✓
War Risk Benefit		✓	✓
Accidental Permanent Disfigurement Benefit		✓	✓
Accidental HIV Benefit		✓	✓
Custodial Care Benefit		✓	✓
Therapeutic Counseling Benefit		✓	✓
Adaptive Home & Vehicle Benefit		✓	✓
Funeral Expense Benefit		✓	✓
Surgical Reattachment Benefit		✓	✓
Conversion		✓	✓
Portability		✓	✓
Coverage for Your Spouse			✓
Coverage for Your Dependent Children			✓

See page 31 for complete information about the Voluntary AD&D benefit.

*\$100,000 benefit amount is one example. Other benefit amounts are available from \$50,000 to \$500,000.

This benefit does not require annual enrollment

Voluntary Accidental Death & Dismemberment

The Voluntary Accidental Death and Dismemberment (AD&D) insurance plan is underwritten by A.C. Newman and Company on behalf of Gerber Life Insurance Company (Gerber). It can pay a benefit if you suffer a loss as the result of a covered accident while you are insured under the plan. It also pays a benefit if you suffer certain disabling injuries while covered.

The coverage is effective 24 hours a day, 365 days a year. It includes accidents on or off the job, while traveling by car, plane, train, boat or any other public or private form of transportation, including while flying in any aircraft that is owned or leased by or on behalf of the State of North Carolina as a passenger, pilot or crew member.

Pilots and crew members of the State—you are eligible for coverage while flying in any aircraft that is owned or leased by or on behalf of the State at the same low cost available to all other employees. Be sure to indicate that you are a pilot/crew member to take advantage of this coverage. This coverage is in addition to any other coverage you have under any other insurance policy.

The benefit amounts are shown below. **If you and your spouse are both eligible to elect this coverage as state agency, university or select community college employees, you both may elect to participate as employees, but only one may enroll for employee and family coverage.** The spouse who elects employee and family coverage will not have coverage for his or her spouse, only children. An employee may not be covered as both an employee and a dependent.

Monthly Cost and Principal Sum

The amount of insurance you purchase is called the Principal Sum. You may select one of the following Principal Sums for yourself:

Principal Sum	Cost for Employee Only	Cost for Employee & Family	Principal Sum	Cost for Employee Only	Cost for Employee & Family
\$50,000	\$0.96	\$1.50	\$200,000	\$3.80	\$6.00
\$75,000	\$1.42	\$2.26	\$250,000	\$4.76	\$7.50
\$100,000	\$1.90	\$3.00	\$300,000	\$5.70	\$9.00
\$125,000	\$2.38	\$3.74	\$350,000	\$6.64	\$10.50
\$150,000	\$2.86	\$4.50	\$400,000	\$7.60	\$12.00
\$175,000	\$3.32	\$5.26	\$500,000	\$9.50	\$15.00

Family Principal Sum

In addition to insurance for yourself, you can elect to purchase insurance for your spouse and unmarried dependent children (see Eligible Dependents page 32). If you elect family coverage, your family member's Principal Sum will be a percentage of your Principal Sum.

Family Members	Percentage of Your Benefit Payable
Spouse only	60%
Spouse and children	50% spouse; 10% each child
Children only	15% each child

Coverage

If you or one of your covered dependents suffers any one of the losses listed on the chart below, as the result of a covered accident, the loss will be deemed a covered loss and a benefit will be paid, based on the applicable Principal Sum. The maximum percentage paid for losses from any one accident is 100%.

Loss of	Percentage Principal Sum
Life	100%
Sight of Both Eyes	100%
Speech and Hearing of Both Ears	100%
Both Hands or Both Feet	100%
One Hand and One Foot	100%
Loss of Use of Four Limbs	100%
Loss of Use of Three Limbs	85%
Loss of Use of Two Limbs	75%
Loss of Use of One Limb	50%
Either Hand or Foot	50%
Sight of One Eye	50%
Speech or Hearing of Both Ears	50%
Hearing of One Ear	25%
Thumb and Index Finger of Same Hand	25%

Note: Loss of hand means complete, total and irrecoverable loss of use of a hand at or above the wrist. Loss of foot means complete, total and irrecoverable loss of use of a foot at or above the ankle joint. Loss of sight is defined as complete, total and irrecoverable loss to the sight of an eye. Loss of thumb and index finger is defined as complete, total and irrecoverable loss of thumb and index finger at or above the knuckles. Loss of speech or hearing is defined as complete, total and irrecoverable loss of speech or hearing.

Underwritten by A.C. Newman & Company on behalf of Gerber Life Insurance Company

The information in this guide is in abbreviated form only. It is provided to give you a general understanding of your Gerber insurance coverage but it is subject to verification by Gerber. Your actual coverage and amounts are subject to all the terms, limitations and exclusions in your Gerber Certificate of Coverage. If the information in this guide differs from the group insurance policy held by your employer or plan administrator, the terms of that group insurance policy will govern.

Coverage After Age 70

If you are actively at work at age 70 and beyond, the percentage of the amount payable declines as follows:

Age	Percentage of Full Benefit
70 – 74	65%
75 – 79	45%
80 – 84	30%
85 and older	15%

Additional Benefits

If insured under the plan, the following benefits are available to you as part of your Voluntary Accidental Death and Dismemberment coverage. For more information, please visit www.ncflex.org and view the Voluntary AD&D certificate.

- Enhancement for Children*
- Surgical Reattachment Benefit
- Coma Benefit
- Accidental HIV Benefit
- Critical Burn/Permanent Disfigurement Benefit
- Rehabilitation Benefit*
- Therapeutic Counseling Benefit*
- Adaptive Home & Vehicle Benefit*
- Accidental In-Hospital Indemnity Benefit*
- Custodial Care Benefit*
- Seat Belt Benefit*
- Air Bag Benefit*
- Criminal Assault Benefit*
- Common Disaster Benefit*
- Funeral Expense Benefit*
- Survivor's Benefit*
- College Education Benefit*
- Spouse Training Benefit*
- Child Care Center Benefit*
- Disability Waiver of Premium
- Worldwide Emergency Travel Assistance Services (extends to enrolled family members; see page 29 for detailed description)

Eligible Dependents

Unmarried dependent children include your stepchildren, adopted children, foster children or any other children related by blood or marriage who are under age 26, reside with you and depend on you for support and maintenance. Unmarried dependent children also include children of any age who depend on you for support and maintenance due to having a mental or physical handicap (see certificate for complete definition).

What is Excluded from Coverage

We will not pay a claim for a loss that is contributed to by, caused by or resulting from:

- suicide or self-inflicted injury; whether sane or not (in Missouri, while sane);
- bacterial infection, except those that occur with a cut or wound at the time of accident;
- any kind of disease;
- medical or surgical treatment (except surgical treatment required by the accident);
- war or any act of war occurring in your country of domicile, the United States, Iraq or Afghanistan;
- injury sustained while riding as a pilot or crew member of any aircraft, except State pilots and crew members flying aboard State-owned aircraft;
- injury sustained while in any of the armed forces (land, sea or air) of any country or international authority except while on temporary domestic National Guard or Reserve duty for less than 30 days;
- voluntarily taking any drug, chemical or controlled substance, unless taken as prescribed by a licensed physician;
- committing or attempting to commit a felony;
- operating any vehicle with a blood alcohol level greater than the legal limit; or
- being intoxicated or under the influence of any narcotic unless administered on the advice of a physician.

Continuation Options

Continuation of Voluntary AD&D and Travel Assistance Services are available. For more information, please visit www.ncflex.org and view the continuation options form.

* Additional benefits apply only if there has been a covered loss as shown on page 31.

This benefit does not require annual enrollment

Group Term Life

Group Term Life

NCFlex knows how important it is to protect your family from the unexpected. If something should happen to you, life insurance helps provide financial security for your family. That is why NCFlex is offering Voluntary Group Term Life Insurance administered by ING and underwritten by ReliaStar Life Insurance Company.

Voluntary Group Term Life Insurance pays a benefit to your beneficiary(ies) if you die while covered under the policy. Please note that this is strictly a life insurance policy that provides a benefit if you die. There is no accumulated cash value.

Enrollment Options

Newly Eligible

If you enroll in this plan the first time it is offered to you as a new employee, you may elect coverage on a guaranteed basis up to \$100,000 without providing Evidence of Insurability (EOI). If the benefit amount exceeds \$100,000, you must provide EOI for the amount of coverage exceeding \$100,000. EOI is a way of providing proof of good health. This evaluation may include your current health status, medical history and family medical history.

Enrolling After 30 Days from Employment Date

During this annual enrollment period, you may purchase \$20,000 of coverage on a guaranteed issue basis (if you were not previously denied coverage).

Annual Increase

If you are currently enrolled in Group Term Life, you may add \$10,000 of additional coverage at each annual enrollment, up to the guaranteed issue amount of \$100,000 (no EOI required).

Monthly Cost and Coverage

Your monthly premium is based on your age as of January 1 of the current plan year. You can elect life insurance coverage in increments of \$10,000. A minimum of \$20,000 of coverage is available up to a maximum of \$500,000 of coverage. Your coverage amount may not exceed five times your base annual earnings. The following chart outlines the cost of coverage per \$1,000 increments based on age.

Monthly Cost

Your Age	Monthly Rates*/ \$1,000 Coverage	Monthly Cost for Sample Coverage Amounts		
		\$20,000	\$50,000	\$100,000
0 – 24	0.049	0.98	2.45	4.90
25 – 29	0.059	1.18	2.95	5.90
30 – 34	0.079	1.58	3.95	7.90
35 – 39	0.089	1.78	4.45	8.90
40 – 44	0.139	2.78	6.95	13.90
45 – 49	0.198	3.96	9.90	19.80
50 – 54	0.337	6.74	16.85	33.70
55 – 59	0.564	11.28	28.20	56.40
60 – 64	0.84	16.80	42.00	84.00
65 – 69	1.73	34.60	86.50	173.00
70 – 74	2.52	50.40	126.00	252.00
75+	2.52	50.40	126.00	252.00

*Rates are guaranteed until December 31, 2013.

To calculate your monthly premium, multiply the rate that corresponds to your age by the amount of \$1,000 coverage increments you want. For example, if you are 35 years old and want \$30,000 coverage, your monthly premium would be (\$0.089 x 30 units) = \$2.67.

Determining if EOI is Required

You will need to submit EOI in the following situations:

Newly Eligible

You are electing more than \$100,000 of coverage.

Existing Employees

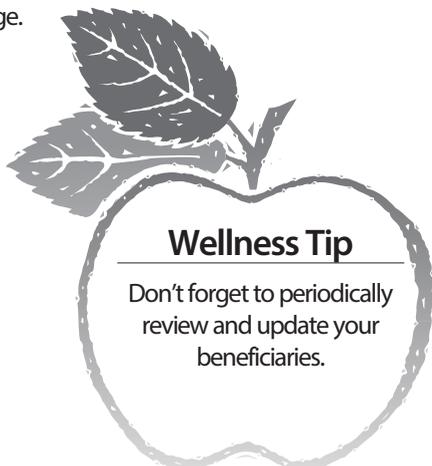
- You did not elect term life insurance when it was first offered to you, and you decide to enroll for more than \$20,000 of coverage for the first time.
- You decide to increase your existing coverage by more than \$10,000.
- Your elected increase results in your total coverage exceeding the guaranteed issue amount of \$100,000.

Submitting EOI

If EOI is required, ING must approve your request within 60 days from the date the form is submitted or signed before your benefit takes effect. ING will notify you whether or not your EOI is approved. Employees enrolling via the Aon Hewitt system will be prompted to complete the EOI information as part of the online enrollment process.

Employees enrolling via the BEACON system will be mailed an EOI form directly from ING.

Employees who are unable to enroll online and require EOI for their elected coverage amount should contact ING at 1-877-464-5111 to obtain the required EOI form.



When Coverage Begins

Newly Eligible:

- If you are a new hire and enroll for coverage of \$100,000 or less, your coverage will begin on the first day of the month following your date of hire. You must enroll within 30 days of your hire date.
- If you have to submit EOI as part of your enrollment, your coverage will begin the first of the month on or following the date your EOI is approved by ReliaStar Life, the underwriter.

Existing Employees:

- If you enroll for coverage during annual enrollment and your EOI is approved prior to January 1, your coverage will be effective January 1, 2013. If your EOI date of approval is after January 1, 2013, your coverage will be effective on the first of the month following the date your EOI is approved by ReliaStar.
- If you are on disability, you may enroll when you return to active status.

All term life insurance contributions begin when coverage becomes effective. Any future rate changes due to age will be effective on January 1 following the date you enter a new five-year age bracket.

Tax Issue

While on one hand your monthly life insurance premium is deducted from your pay on a pre-tax basis, on the other hand the IRS takes back those same tax savings on life insurance amounts over \$50,000. This means for life insurance amounts over \$50,000 (including State Retirement death benefits), you do not save any taxes. After \$50,000, it is like buying life insurance on an after-tax basis, except you get lower premiums because of the purchasing power of NCFlex.

This is how it works: Since you automatically save taxes (state, federal and FICA) when the life insurance premium is first deducted from your pay, the IRS is then automatically repaid by those taxes in the same paycheck for amounts over \$50,000. You will see a small premium charge that is added to your income only for tax purposes — this is how the IRS is repaid.

To calculate the amount of income added to your pay, visit www.ncflex.org for instructions and an example. You will notice that the life insurance you automatically receive free under the State Retirement System must be included in the calculation.

Disability Waiver of Premium

ReliaStar Life waives your life insurance premium that becomes due while you are totally disabled. The premium will be waived if you satisfy certain conditions. If you become totally disabled before age 60 as defined under the policy, you will not have to pay premiums for your life insurance coverage during this time.

Premiums are waived until the earlier of:

- the date you are no longer disabled;
- the date you do not give ReliaStar Life proof of total disability when asked; or
- the date you turn age 70.

Your Benefit After Age 75

If you are still employed with the State of North Carolina at age 75, your benefit will be reduced to 50% (rates also reduce based on the reduced benefit amount). Your Voluntary Group Term Life Insurance terminates at retirement. There is a conversion option available.

Note: Once an insured's coverage is reduced due to age, the insured is no longer able to increase coverage amounts during an annual enrollment.

Accelerated Death Benefit

The policy allows you to collect a portion of your benefit amount if you become terminally ill and are expected to live six months or less. You may collect 50% of your benefit up to a maximum of \$250,000. Your remaining benefits will be paid to your beneficiary after your death.

Exclusion

The policy has a suicide death exclusion. Your claim will be denied if you have been covered under the Voluntary Group Term Life Insurance policy for less than two years, and a claim is filed for death by suicide. Your beneficiary(ies) will not receive a benefit.

Portability

Under the portability feature, you may continue your term life insurance coverage under the NCFlex Voluntary Group Term Life Insurance policy if you terminate employment with the State of North Carolina or retire before age 70 without a physical examination. Active policies at age 70 will be offered Conversion as noted below. Coverage under this option will be subject to the same terms and conditions as the NCFlex Voluntary Group Term Life Insurance policy. You pay the full cost of continued coverage, plus a billing fee. Premium rates for portable term life insurance are generally less expensive than the term life insurance conversion rates.

Conversion

Under the conversion feature, you may convert your term life insurance coverage to an individual whole life policy without a physical examination, regardless of age. The whole life policy builds cash value, and the premiums do not change as you get older. You pay the full cost of individual policy coverage, plus a billing fee. Premium rates for life insurance conversion are generally more expensive than portable life insurance rates.

Continuation Coverage (COBRA)

It is important all that covered individuals (employee, spouse and dependent children) read this notice carefully and understand its contents.

The Consolidated Omnibus Budget Reconciliation Act of 1986 (COBRA) allows you and/or your dependents to continue your current NCFlex Dental, Vision Care, Cancer and HCFSAs coverage

for a specific period of time when coverage is lost due to a qualifying event. You must pay the required cost of coverage. The following chart shows the coverage provisions — **except the duration of coverage for the HCFSAs, which can only be continued to the end of the plan year.**

Qualifying Event	Qualified Beneficiaries Who May Continue Coverage*	Duration of Coverage	Monthly Cost**
Your employment ends for any reason other than gross misconduct	you, spouse, dependent children	up to 18 months	102%
You lose benefit eligibility due to reduction in hours	you, spouse, dependent children	up to 18 months	102%
During the first 60 days of COBRA coverage, you or your dependent becomes disabled under the Social Security Act	you, spouse, dependent children	up to 29 months: months 1 – 18... months 19 – 29...	102% 150%
You divorce or legally separate	ex-spouse and/or dependent children	up to 36 months from initial qualifying event	102%
Your dependent children lose eligibility	dependent children	up to 36 months from initial qualifying event	102%
You become covered by Medicare	spouse and/or dependent children	up to 36 months from initial qualifying event	102%
You die	spouse and/or dependent children	up to 36 months from initial qualifying event	102%

*You, your spouse and your dependent children are only eligible to continue the coverage that you, your spouse and/or dependent children have on the date of the qualifying life event.

**The cost to continue cancer coverage is 100% of the monthly premium.

Note: Under no circumstance may the total amount of continuation coverage exceed 36 months (or to the end of the plan year for the HCFSAs) from the initial qualifying life event date.



Election Process

Under COBRA, you or your covered dependents have the responsibility to inform your HBR or benefits department within 60 days of a divorce, a legal separation, a child losing dependent status under the plan or upon receiving a written Social Security determination letter stating that a qualified beneficiary was disabled at the time of your termination, reduction in hours or during the first 60 days of your COBRA coverage. If you do not notify your Health Benefit Representative or department within 60 days of these events and before the original 18-month COBRA period expires, then your rights to continuation coverage will end. Your Health Benefit Representative or department has the responsibility to notify the NCFlex carriers of the employee's death, termination of employment, reduction in hours or upon receiving notice of Medicare entitlement.

After receiving notice of a qualifying event, a COBRA notice and election form will be sent to you by the appropriate carrier. If you are interested in continuing your NCFlex coverage, you must return a completed election form (signed and dated) to the appropriate carrier (address listed on the COBRA notice) within 60 days from the later of the date coverage is lost or from the date of the COBRA notification. If you fail to meet this deadline, your COBRA rights will end.

Premium Payments

There is an initial grace period of 45 days starting with the date you elect continuation coverage to pay any premiums, which are due from the date of the qualifying event to the current month. After the initial 45-day grace period, full premium payments are due on the first day of each month for that month's coverage and must be received no later than 30 days after that due date.

The COBRA payment address and instructions will be included in the COBRA materials you receive from the carrier.

COBRA Ending Date

COBRA coverage continues until the earliest of the following:

- your maximum amount of continuation coverage ends (see chart on page 35);
- the State of North Carolina no longer provides that coverage to any employee under the NCFlex Program;
- your premium for continuation coverage is not paid in full by the due dates listed;
- the qualified beneficiary becomes covered (after the date he/she elects COBRA coverage) under another similar group health plan, which does not contain any exclusion or limitation with respect to any pre-existing condition he or she may have; or
- the qualified beneficiary extends coverage for up to 29 months due to disability, and there has been a final determination that the individual is no longer disabled.

If you or your covered dependents have any questions about your COBRA rights or have changed addresses or marital status, please contact the appropriate carrier (carriers' addresses and telephone numbers are listed on the back of this guide).

Federal Requirements

NCFlex and its carriers administer the dental, vision care and cancer benefits, as well as the HCFA in accordance with the HIPAA Privacy requirements. A HIPAA Privacy Notice is provided to participants by the carriers of each plan and is also available on the www.ncflex.org website.

How to Log In to the Online Enrollment System

Logging In

Step 1 — Go to <https://mybeacon.nc.gov>

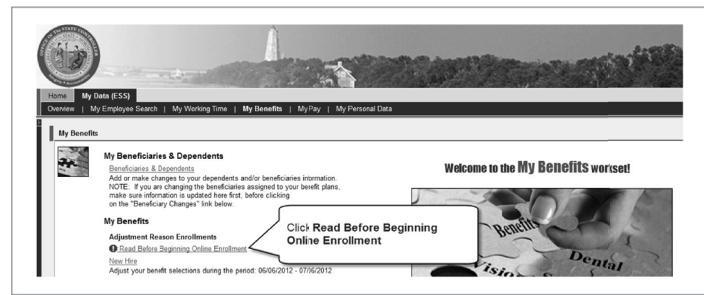
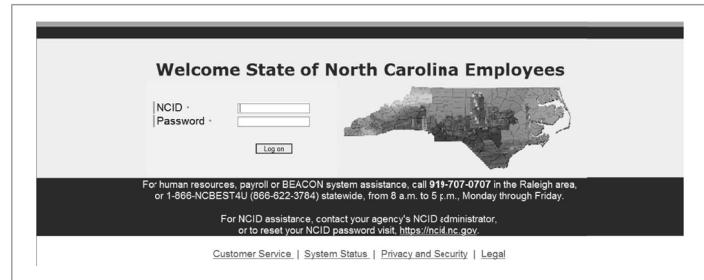
Step 2 — Enter your NCID and password.

Step 3 — Select the **My Data (ESS)** tab and then **My Benefits** link.

Step 4 — Before proceeding to your online enrollment, it is important to click the link and read: **Read Before Beginning Online Enrollment**. This link will provide additional information that can help you through your online process.

New User or Forgot NCID and/or Password

For NCID assistance, contact your agency NCID administrator. To reset your NCID password, visit <https://ncid.nc.gov>



Transferring Your Work Location

Transferring Your Work Location

Please contact your **Agency HR Representative** to start the enrollment process.

Non-Beacon to Beacon Agency (Vice Versa)

If you transfer from a Non-BEACON Agency to a BEACON Agency, you **must** re-enroll in your same benefits through the online enrollment system. BEACON Agencies will use the BEACON system and other work locations will use the NCFlex Online Enrollment System.

Beacon to Beacon Agency

If you transfer from a BEACON Agency to another BEACON Agency, you **will not** need to re-enroll. Your benefits will remain active.

Evidence of Insurability (EOI)

If Evidence of Insurability (EOI) is required for NCFlex Cancer or Life Insurance, you will be prompted regarding EOI information.

CONTACT INFORMATION

NCFlex www.ncflex.org		<ul style="list-style-type: none"> NCFlex benefits information Claim forms Certificates of Coverage
P&A Group ncflex.padmin.com Mail claims to: P&A Group 17 Court Street, Suite 500 Buffalo, NY 14202 Fax claims to: 1-877-213-8917	1-866-916-3475 M-F 8 a.m. – 8 p.m. (ET)	<ul style="list-style-type: none"> Eligible and ineligible HCFSAs and DDCFSAs expenses Status of HCFSAs and DDCFSAs claims When to expect your reimbursement Claim forms may be downloaded from www.ncflex.org
United Concordia www.unitedconcordia.com Mail claims to: United Concordia Dental Claims PO Box 69421 Harrisburg, PA 17106	1-800-291-8039 M-F 8 a.m. – 8 p.m. (ET) Automated service available 24/7	<ul style="list-style-type: none"> Find a Dentist (www.unitedconcordia.com) Questions regarding your claims Request ID cards Para hablar con un representante de Servicio al Cliente en español, marque el número que se muestra y pulse el 2
Superior Vision www.superiorvision.com 11101 White Rock Rancho Cordova, CA 95670 Fax: 1-800-777-1811	1-800-507-3800 M-F 8 a.m. – 9 p.m. (ET) Sat 11 a.m. – 4:30 p.m. (ET)	<ul style="list-style-type: none"> Vision care providers (see www.ncflex.org) Questions about plan options Request ID cards Questions about claims or benefits
Metropolitan Life Insurance Company Mail claims to: Metropolitan Life Insurance Company Critical Illness Insurance Service Center PO Box 6120 Scranton, PA 18505-9972	For claims questions: 1-800-438-6388 M-F 8 a.m. – 11 p.m. (ET) For billing & eligibility questions: 1-866-232-1518 M-F 9 a.m. – 6 p.m. (ET)	<ul style="list-style-type: none"> Critical Illness Insurance questions Request a claim kit Questions regarding your claim
ING www.ingemployeebenefits-us.com Mail EOI forms to: LifeHelp PO Box 492517 Redding, CA 96049	1-877-464-5111 M-F 9 a.m. – 6 p.m. (ET)	<ul style="list-style-type: none"> Voluntary Group Term Life Insurance coverage questions
Allstate Benefits (AB) (American Heritage Life Insurance Company) www.AllstateBenefits.com Mail claims to: Claims Department Attn: Group Cancer Allstate Benefits (AB) 1776 American Heritage Life Drive Jacksonville, FL 32224-6688	For claims questions: 1-800-521-3535 M-F 8 a.m. – 8 p.m. (ET) For customer service: 1-866-232-1517 M-F 9 a.m. – 6 p.m. (ET)	<ul style="list-style-type: none"> Cancer/Specified Disease Insurance questions Claim forms may be downloaded from www.ncflex.org
A.C. Newman & Company (Gerber Life Insurance Company) Worldwide Emergency Travel Assistance Services www.assistamerica.com	1-800-257-0930 M-F 9 a.m. – 6 p.m. (ET)	<ul style="list-style-type: none"> Core AD&D Insurance coverage questions Voluntary AD&D Insurance coverage questions Worldwide Emergency Travel Assistance Services
BEST Shared Services (BEACON) https://mybeacon.nc.gov	1-866-622-3784 1-919-707-0707	<ul style="list-style-type: none"> Online enrollment inquiries

If you are not interested in any of the NCFlex benefits, please help us hold down costs by returning this guide to your HBR, or to the Office of State Personnel via interoffice mail at the following routing code:

Flexible Benefits Program
 Office of State Personnel
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