

AmFirst Insurance Company

AFFORDABLE MEDICAL PLAN

Underwriting Guidelines

June 2008

Overview

The Affordable Medical Plan is a Limited Benefit Health Insurance plan combined with discount medical services including a national provider network of 4800 hospitals and access to 1.3 million provider locations. The Affordable Medical Plan provides economical coverage for groups that cannot afford major medical insurance. Over 47 million* Americans are without health insurance. This product would benefit:

- Non-eligible benefit employees
- Eligible employees who cannot afford the group's coverage
- Part time employees

Important: The Affordable Medical plan is NOT basic health insurance. This is limited benefit indemnity insurance. It is not a substitute for basic health coverage, major medical insurance, or any other medical expense reimbursement plan.

No Excluded Groups

All employer groups that meet the size requirements are eligible.

Minimum Group Size

Minimum group size is 10.

Guaranteed Issue

Guaranteed issue – no health questions subject to minimum participation requirements.

Rate Guarantee

One-year rate guarantee

Participation Requirements

Minimum participation requirements are:

Groups of 10 –100 = the greater of 10 enrollees or 20% of the eligible employees

Groups of 100 or more = the greater of 20 or 10% of the eligible

In determining the percentage of participation the total number of eligible employees (as determined by the employer) will be considered. If the group does not meet the participation requirements the group will be returned to the agent.

Pre-existing Condition Limitation

Injury or Sickness that would have caused an ordinary prudent person to seek or receive medical advice, diagnosis, care during the six (6) months immediately preceding the effective date of coverage. We will not deny benefits for an Insured Person for losses due to a Pre-Existing condition incurred for more than twelve (12) months following the effective date of the Insured Person's coverage.

The Affordable Medical Plan does not cover normal pregnancy or childbirth within the first 10 months after the effective date.

Waiver of Pre-existing Condition Limitation

We will waive the Pre-existing condition limitation for payroll groups of 50 or more employees if 75% of the eligible employees enroll.

Eligibility**

- W-2 employees or Contract (1099) employees are eligible. 1099 employees must have employer sponsorship and a common remitter.
- Applicant must be employed and be actively at work with the company for a minimum of 90 days prior to application to be eligible.
- Applicant must work 20 hours or more per week.
- Applicant must be under the age of age 65, benefits reduce to one half at age 65, and policy will terminate at age 70.
- Spouse must be under the age of age 65, benefits reduce to one half at age 65, and policy will terminate at age 70.

*Sources: The centers for Medicare and Medicaid Services, Office of the Actuary; Benefits selling, July 2007

** If eligibility does not agree with the laws of the state in which the Policy is written, it will be amended to the minimum requirements of that state

- Dependent children** under the age of 19. Full time students are eligible to age 25.

- Mental or physical handicap are eligible (age 19 or more years of age) if primarily supported by the insured and incapable of self-sustaining employment because of the mental or physical handicap.
- Individuals on Medicare are not eligible for this coverage.

Product Availability

Contact MWG Marketing or go to our web site.

Multiple State Enrollments

Because this is a group plan, groups based in an approved state can offer this plan to all of their employees regardless of the employee's resident state.

Procedures to follow when enrolling groups that have employees in multiple states.

- The payroll for the group must be handled in a state where the product is approved.
- All certificates will be issued and delivered in the state where the payroll is handled.
- The agent must be licensed to solicit insurance in the approved state.

Plan Selection

Groups of 10 to 100 can choose from the Diamond, Platinum, Gold or Silver Plans. Groups larger than 100 are eligible for a custom designed plan. Groups can select up to 2 plans per group. If two plans are offered, they must be offered by employee classification. Example: one plan for hourly and one plan for salaried, length of service etc.

Sales Material

Brochures, Fliers and other marketing materials are available by email or on our web site.

Enrollment – Simple and Fast

Save Time More Accurate Enrollments Better Participation

No employee applications or transmittals are required. Insurance enrollments take employees away from their job and consume a lot of the agent's time.

Provide the enrollment information by email or disc on an excel spreadsheet, DBF, or an ASCII file using the following format. Please send this information in separate fields; do not combine city, state, zip code, first name, or last name. Send to Morgan White by email.

Primary Insured: Social, Last Name, First Name, DOB, Address, City, State, and ZIP

Dependents: Last Name, First Name, DOB, and Relationship

We will accept applications if the group or agent prefers to use printed applications.

Submission Requirements

1. Group Application
2. Enrollment data
3. Check for the first month's premium
4. Census showing a list of the eligible employees and hire dates.

New Hires and Terminations

The agent or the client can log into our system and enroll a new employee directly in the billing system or delete terminated employees.

Late Enrollees

Late enrollees are covered from the effective date of the plan. The premium must be paid from the effective date.

Effective Dates

Effective dates must be the 1st of the month.

The first premium must be paid before any insurance is effective. Insurance provided will terminate with regard to any individual when that individual is no longer an Eligible Person in accordance with the Termination of Coverage Provisions of the Policy.

Section 125

Premiums may be included in a Section 125 plan.

Exclusions

See the exclusions on the brochure or in the policy or certificate.

Claims

Payment of Benefits

All benefits are paid to the medical provider. The exception is when the insured proves they have paid the provider. We will then pay the benefits to the insured.

Filing Procedure

No claim forms are required. We recommend the medical provider file the claim. The provider should fax, mail or email their itemized bill. If the insured files the claim they should send the itemized bill (doctor's office form = UB92 or hospitals form = HCFA1500) to Morgan-White Administrators.

Value Added Programs

All persons enrolled with an Affordable Medical Plan are provided the MWG RX Plan at no additional cost

The MWG RX Plan is designed to save you money by giving you access to discounts on most FDA-approved prescription drugs. There are over 53,000 participating pharmacies throughout the United States, including most community Drug stores. This plan is not insurance.

Important Policy Provisions

- The total amount payable for each Covered Person will not exceed the maximum amounts shown in the Policy Schedule of Benefits.
- Coverage is subject to certain conditions, limitations and exclusions, which are detailed in the Group Policy as well as the Certificate. If there is a conflict between what is described in this brochure and Your Group Policy, the Group Policy will prevail. For a complete listing of the plan provisions, as well as any limitations and exclusions, please refer to the Group Policy.
- Any provision of the Group Policy which, on its Effective Date, does not agree with the laws of the state in which the Policy is written, will be amended to the minimum requirements of that state.

Contact Information

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