

AMERIHEALTH INSURANCE COMPANY OF NEW JERSEY
SEH HIGH DEDUCTIBLE HEALTH PLANS
DECLARATION OF UNDERSTANDING

This declaration is issued pursuant to Section 18 of PL 2005, c 248, as it pertains to high deductible health plans for which qualified medical expenses are paid using health savings accounts (HSAs). (Section 223 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.223)).

This declaration provides a brief description of the important features of the Policy. This declaration is not the insurance Policy and only the actual Policy provisions will control. The Policy itself sets forth in detail the rights and obligations of both the Policyholder and the Carrier. It is, therefore, important to read the Policy carefully!

The Policy delivered to you is a high deductible health plan, meant to be used in conjunction with a health savings account (HSA). It provides coverage to Covered Persons for primary and preventive care services, daily hospital room and board, miscellaneous hospital services, surgical services, in-hospital medical services and supplies, out-of-hospital care and prescription drugs. Before the Carrier pays benefits for Covered Charges, a Deductible must be met by each Covered Person and/or Family, each Calendar Year. This Deductible, which is a specified amount of Covered Charges for the Covered Charges that is incurred by the Covered Person and/or Family, applies to all Covered Charges except for preventive services. After the Deductible is met, the Carrier will pay benefits for Covered Charges, but the Carrier's payment is reduced by any applicable Network and/or Non-Network Coinsurance amount that each Covered Person must pay until the Policy's applicable Maximum Out-of-Pocket amount(s) is/are reached for the Calendar Year. The Maximum Out-of-Pocket is a maximum that is placed on the amount of out-of-pocket expenses which the Covered Person and/or Family are required to pay each Calendar Year. The Maximum Out-of-Pocket is a specific dollar amount of expense incurred by a Covered Person and/or Family for Covered Charges, including covered prescription drug expenses. The Maximum Out-of-Pocket expense includes any applicable Copayments, Coinsurance amounts and Deductibles. Once the applicable Maximum Out-of-Pocket amount(s) is/are reached, the Carrier will pay 100% of the Covered Charges for Network and/or Non-Network Covered Charges incurred during the balance of the Calendar Year, subject to any applicable annual or lifetime maximum limits as shown in the ***Schedule of Insurance*** section of the Policy or Certificate.

The HSA funds may be used to pay for expenses classified as "qualified medical expenses" under federal tax law. These expenses include Copayments, Deductibles and Coinsurance.

Please review the definitions of "Coinsurance", "Copayment", "Covered Charge", "Covered Person", "Deductible", "Maximum Out-of-Pocket" and other terms applicable to the Policy's benefit design in the ***Definitions*** section of the Policy or Certificate.

For Network services, Covered Persons will not be required to submit claim forms. Network providers will submit Network claims on the Covered Person's behalf. However, Covered Persons may be required to submit claim forms for Non-Network Covered Charges. The Covered Person may be required to pay the full charges of the Non-Network services, and may need to complete and submit a claim for reimbursement. Additional claim information is outlined in the ***Claims Provision*** section of the Policy or Certificate.

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I hereby agree that I have read and understand the contents of the "Declaration of Understanding" as stated above.

Signed by _____
(Authorized Signature for Policyholder)

Title _____

On _____, 20____