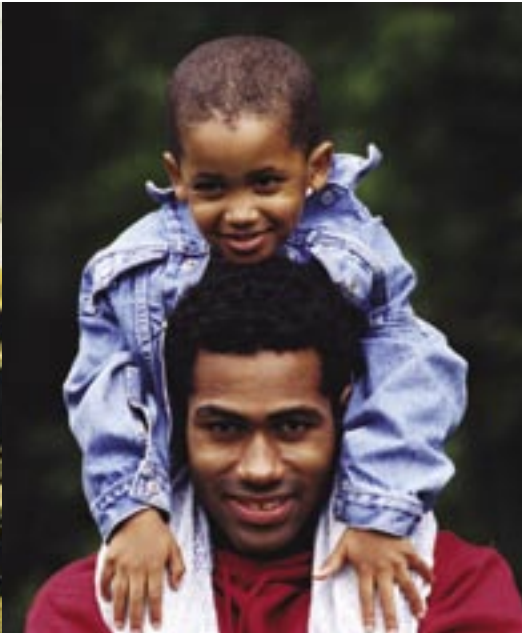


Directory of Programs and Services



MERITCHOICE[®]
Insurance & Benefits

ABC Insurance is a strategic growth partner with contractors. We provide member firms with objective, resource-based solutions that better equip them to attract, retain and reward employees so the member firm can grow consistently and profitably. These solutions are delivered through health and welfare programs, incentive-based programs and administrative services tailored for the construction industry.



MERITCHOICE®



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ABC Merit Choice is *Making Health Insurance Easier*

- **Market-Based, Competitive Medical Plans**
- **Over 48 Years of Commitment to ABC Members**
- **Vision Care**
- **Dental Coverage**
- **Personal Support**
- **Dollar Bank Plan**
- **Payroll Tax Savings Plan**
- **Income Protection Plans**
- **Multi-State Support**

ABC's insurance program was established in 1957 to help ABC contractors attract and retain skilled workers through competitive employee benefits plans. Over the years, ABC Insurance emerged to become one of the leading association plans in the country.

Today, ABC's insurance agency has expanded its services to members with its Merit Choice program — offering market-based medical plans from national and regional carriers. Merit Choice continues to operate for the exclusive benefit of ABC members, providing contractors with a number of outstanding employee benefit programs and value-added services.

Personal Support

ABC Merit Choice is a total benefits resource for ABC members. Your company is freed from the administrative burden of shopping for the most competitive rates and handling on-going insurance related problems. You can join the many ABC contractors who turn to ABC to handle the variety of benefit is-

sues for their employees.

- ABC offers PPO, HMO and traditional medical insurance plans from over 60 different national and regional health insurance carriers.
- ABC is recognized as one of the top 20 association plans in the country, in a study conducted by W. F. Morneau and Associates, a leading benefits research firm.

Financial Accountability

The program is directed by ABC member trustees who come from different regions of the country. Their companies participate in ABC's various insurance plans. Their involvement assures you that the program is operating in your company's best interests.

Special Services to Help You

Save Time and Money

Merit Choice offers a number of special administrative services to ABC members. Some of these are specifically developed for the construction industry:

- Complimentary Model Employee Handbook tailored to the specific needs of employers in the construction industry.
- ABC's Dollar Bank enables you to pay for benefits on an hourly basis.
- ABC's sales and support representatives give you quick access to a variety of health insurance carriers.
- ABC's Payroll Tax Savings Plan kit helps your company reduce its payroll taxes through an IRS qualified section 125 plan.
- ABC's toll-free customer service department responds promptly to any insurance and benefit concerns faced by you or your employees.

Comprehensive Insurance Plans

ABC members have a wide range of employee benefit needs. Your company may be small with limited financial resources, or you may be large with multi-state locations. ABC Merit Choice representatives work for you to find the right insurance plan design to help you achieve your specific goals. Insurance

coverages available to you through Merit Choice include:

- Traditional, HMO, PPO and POS medical plans
- Vision insurance
- Dental plans
- Short Term and Long Term Disability income plans
- Group Life insurance plans
- Supplementary Life insurance
- Voluntary Coverages
- Long-term Care
- HRAs/HSAs/FSAs

Committed to Merit Shop Contractors

ABC Merit Choice specializes in working with contractors. Backed by our national presence, we have the resources to offer you the highest level of personal support. Our sole commitment is to serve you and others in the ABC member community.

We help to advance the merit shop philosophy by strengthening ABC's position as the leading employee benefits purchasing resource for your company and the construction industry.



Medical Insurance

- **Over 60 National and Regional Carriers**
- **Multiple Network Options**
- **Focus on Quality “A” Rated Companies**
- **Dollar Bank Program**
- **Payroll Tax Savings Plan**
- **Multi-State Support**
- **Competitive, Market-Based Rates**

The ABC Merit Choice program applies ABC’s over 48 years of insurance industry experience to help members find competitively priced, market-based medical plan options.

- We review the marketplace.
- We do the comparison shopping.
- We find solutions that fit your business.

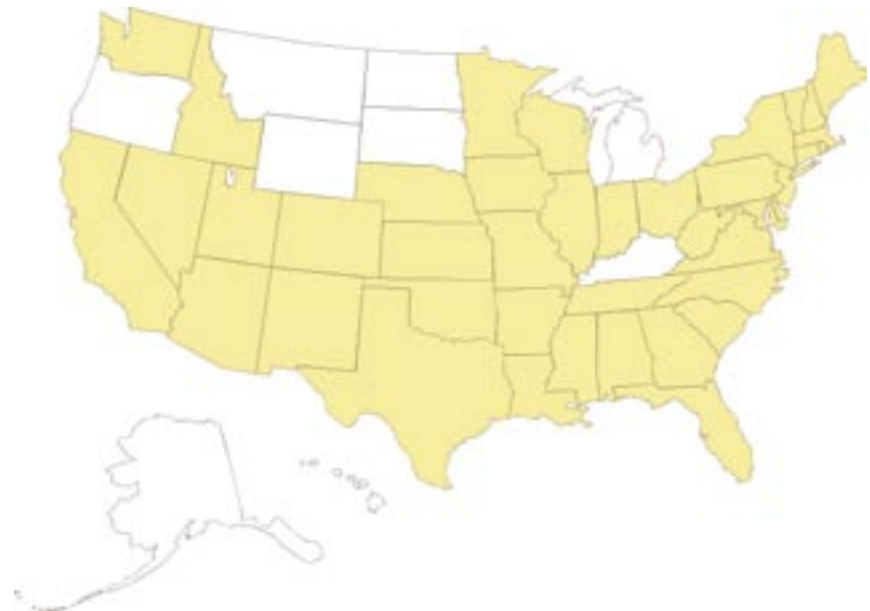
Your Insurance Resource

The Merit Choice program enables ABC to:

- Work with multiple medical insurance providers to best serve your needs
- Offer complete flexibility and choice of products to design your insurance plan
- Represent nationally and regionally based carriers in every area of the country
- Focus on “A” rated insurers with a reputation for prompt claims payment

Simply put, ABC Merit Choice gives you access to a powerful business tool that delivers maximum value for your insurance dollar.

ABC Merit Choice Service Areas



Convenience ...

Commitment ...

Control ...

As an ABC member you can look to Merit Choice as your one-stop resource for all your medical insurance needs. And because no business is the same, we put our resources and expertise to work for you to find you the best solution for your needs – depending on your location(s), demographics, size, industry specialty and business objectives.



Enhanced Services for ABC Members

Merit Choice takes the hassles out of administering your health insurance program by providing you:

- Personal support – freeing you to focus on your business. It's like having your own health insurance department.
- Multi-state administration – our national resources to handle the special needs of larger firms with multiple locations.
- Dollar Bank administration – so you can pay employee benefits by the hour.
- 800 support line – staff is ready to answer your insurance questions and help you promptly resolve any problems.



Dental Coverage

- **Multiple Deductible, Annual Maximum, and Orthodontia Options**
- **Access to a Growing, Stable PPO Network of more than 77,000 Participating Dentists Nationwide**

ABC's dental benefits plans, underwritten by Metropolitan Life Insurance Company, are an excellent way to enhance the value of your employee benefits program. Recognized as an important benefit among employees, dental benefits will help serve as a valuable tool for recruiting and retaining your workforce.

All of MetLife's dental benefits plans give your employees the freedom to choose any dentist – even if that dentist does not participate in MetLife's Preferred Dentist Program (PDP) network.

With each plan option, if your employees choose to visit one of the dentists that participate in MetLife's PDP, they can realize even greater savings than the already low group rate since participating providers typically accept negotiated fees 10-35% below the average charges in the area.



| | Plan 1 | Plan 2 | Plan 3 | Plan 4 | Plan 5 | Plan 6 | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|-----------------------|-----------------------|-----------------------|-------------------|------------------------------|----------------------------------|
| Calendar Year Deductible: Individual Family | \$50 x3 | \$50 x3 | \$50 x3 | \$75 x3 | \$50 x3 | In-Network \$25 x3 | Out-of- Network \$50 x3 |
| Maximum Benefit: Per Insured, Per Calen- dar Year | \$1,500 | \$1,000 | \$1,000 | \$750 | \$750 | \$1,000 | |
| Preventive Care: Oral Exams, Routine Teeth Cleaning, Fluoride Treat- ments, X-Rays | 100% deductible waived | 100% no deductible | 100% no deductible | 100% no deductible | 100% ¹ | 100% deductible waived | 80% deductible waived |
| Basic Care: Basic Fillings, Repair of Bridges and Dentures, Recementing of Crowns and Bridges, Periodontal Therapy, Simple Extrac- tions | 80% ¹ | 80% ¹ | 80% ¹ | 70% ¹ | 50% ¹ | 90% ¹ | 70% ¹ |
| Major Care: Crowns, Implants, Surgi- cal Extractions, Bridges, Root Canal Therapy, Dentures | 50% ¹ | 50% ¹ | 50% ¹ | 50% ¹ | | 60% ¹ | 40% ¹ |
| Orthodontic Services: (for children and adults) Exams, Cephalometric Film, Orthodontic Appliance | 50% ¹ | 50% ¹ | | 50% ¹ | | | |
| Lifetime Orthodontia Benefit: Per Insured | \$1,000 | \$1,000 | | \$750 | | | |

¹ Reimbursements for in-network providers based on the PDP fee which refers to the negotiated PDP (Preferred Dental Program) fee schedule. Benefits are limited to the amount of the PDP fee.

Reimbursements for out-of-network providers based on the R&C (Reasonable and Customary) charge which is based on (1) the lesser of the provider's actual charge, the provider's usual charge or charges of other providers; and (2) the lesser of the provider's actual charges or the charges of other providers in the same area for the same or similar service.

Dollar Bank

- Pay Employee Benefits by the Hour
- Reward Productivity
- Control Your Benefit Costs
- Enhance Your Employee Benefits

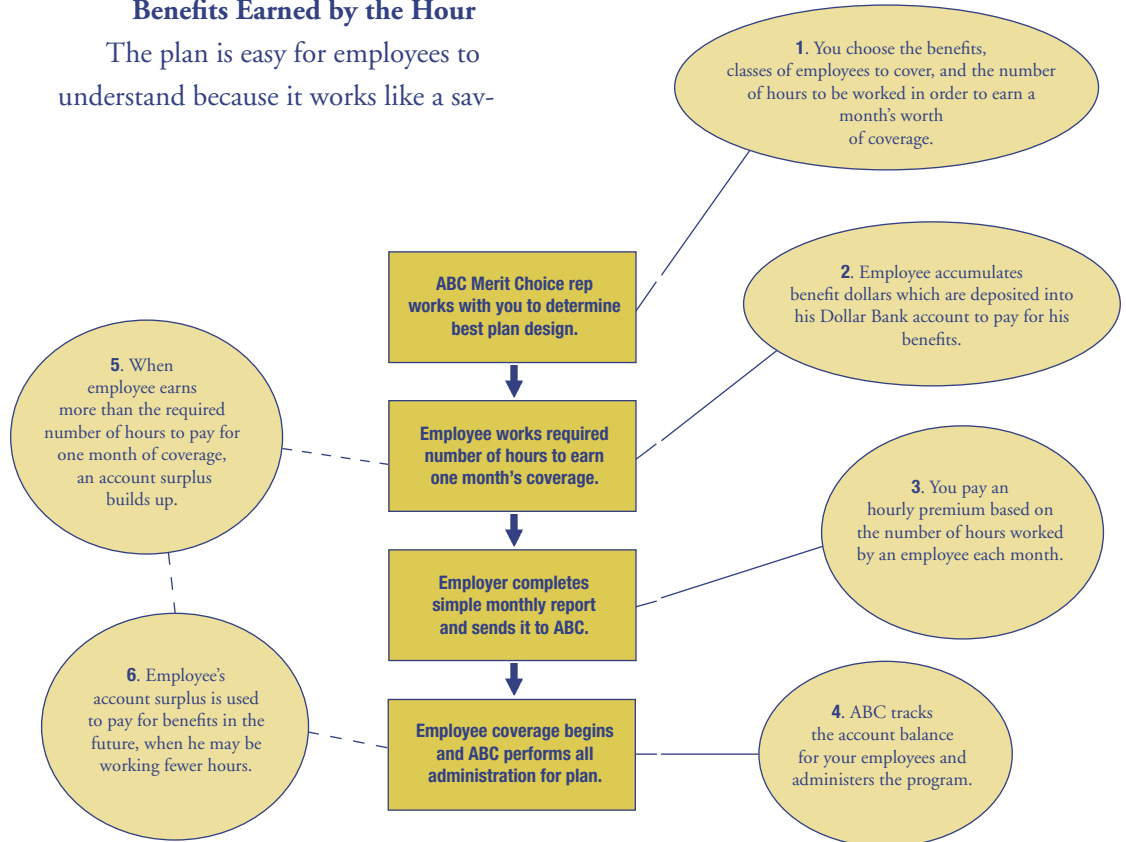
ABC's Dollar Bank plan is a cost effective way for you to provide group insurance benefits for your workers because benefits are paid for by the hour.

The program is administered by ABC and helps you solve the problems that can result from employee turnover, breaks in work because of seasonal demands and administering premiums for employees no longer with the company.

ings account. A worker accumulates one hour of insurance credit in his dollar bank account for each hour he works. Coverage becomes effective the month after he has "deposited" the required number of hours into his account. Any extra hours that are worked beyond the monthly base level will accumulate in his account and can be used to provide benefits during times of reduced work.

Benefits Earned by the Hour

The plan is easy for employees to understand because it works like a sav-



Designed to Fit Your Needs

ABC's Dollar Bank program works for both prevailing wage jobs and regular commercial construction work. You can use the Dollar Bank program to fit your company's special circumstances:

- All hourly employees
- All company employees
- Commercial construction
- Specific prevailing wage projects
- All prevailing wage employees

Added Value

Employers like the fact that ABC's Dollar Bank program lets them provide coverage based on the number of hours an employee works. That means you're not paying "full-time" benefits for your employees during less productive seasons of the year.

With Dollar Bank, every dollar that you pay in benefits instead of cash wages reduces your taxable wage base – and that lowers your payroll taxes.



Payroll Tax Savings Plan

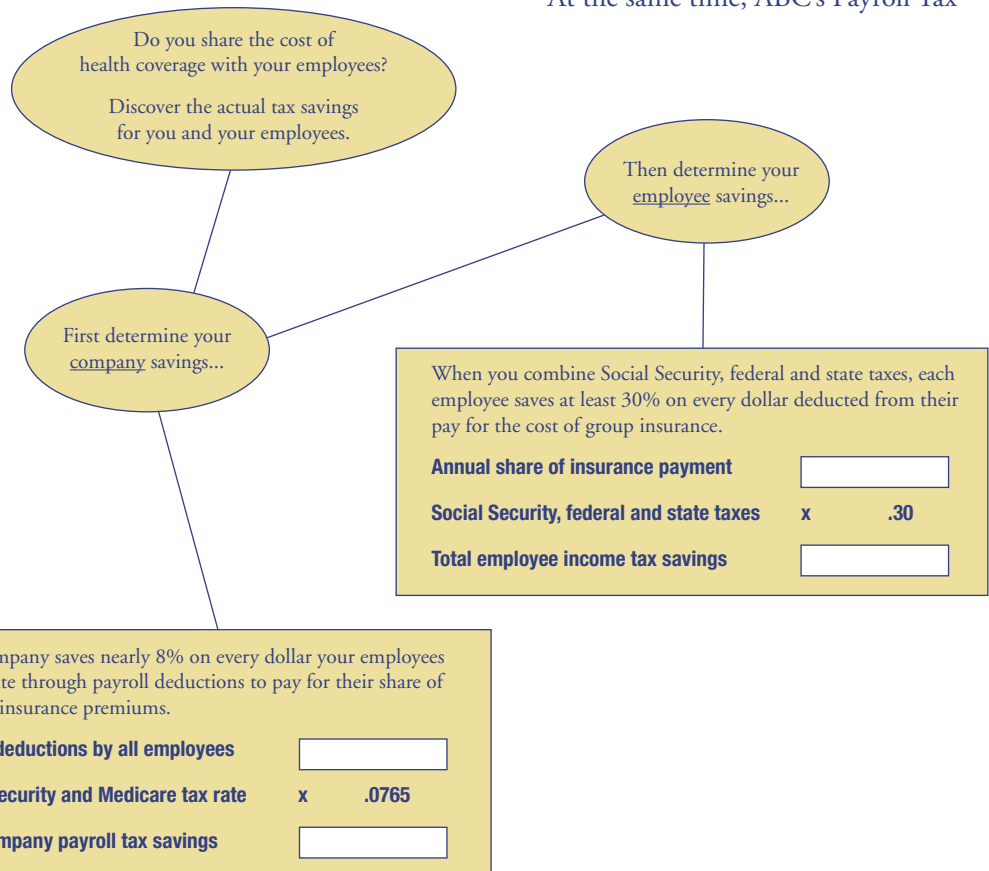
- Immediate Tax Reduction
- IRS Approved
- Easy to Set Up
- Free Support

ABC's Payroll Tax Savings Plan lets your employees pay their portion of insurance premiums on a pre-tax rather than an after-tax basis. ABC provides you with a complete IRS approved Payroll Tax Savings Plan that is fully compliant with Internal Revenue Code Section 125. Everything you need is provided in your customized start-up kit.

Let the IRS Help Pay For Your Benefit Program

Your employees don't pay social security and federal taxes on money used to pay for their portion of employer sponsored insurance premiums. As a result, employees actually increase their take-home pay because they're having less taxes taken out. Most states also permit full deductibility resulting in even greater tax savings.

At the same time, ABC's Payroll Tax

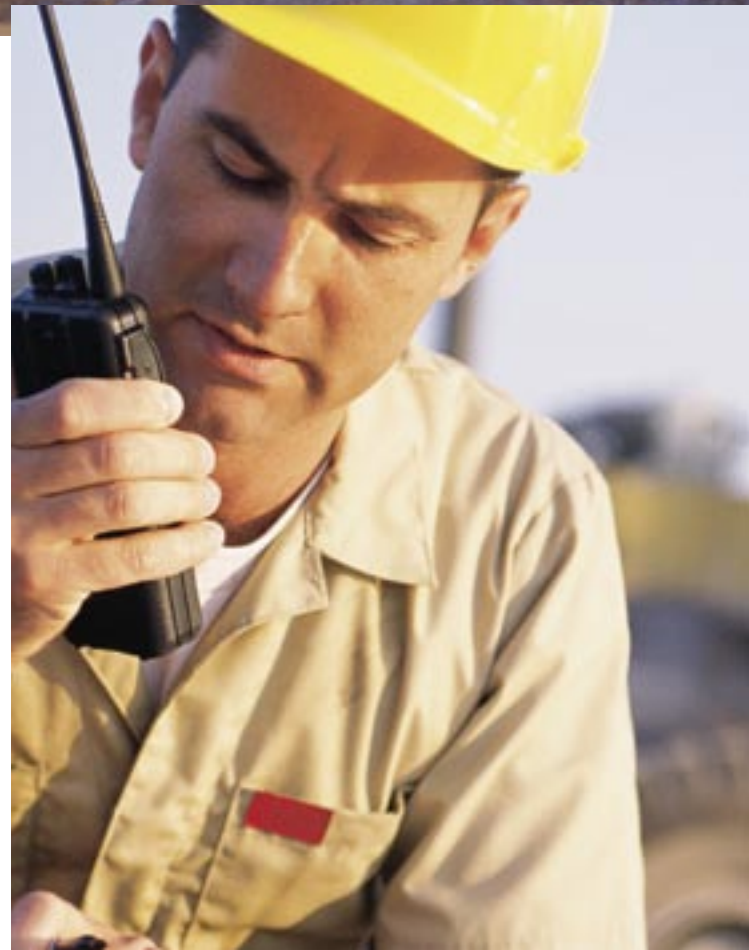


Savings Plan reduces your company's taxable payroll by the amount that employees deduct from their pay to pay for group insurance benefits. Lower taxable payroll means lower payroll taxes.

ABC Gives You Everything Needed

ABC's Payroll Tax Savings Plan is easy to set up. You'll receive a free customized start-up kit which contains everything you need:

- Step-by-step instructions
- Plan Adoption Agreement
- Plan Document and Summary Plan Description
- Certificate of Resolution form
- Payroll stuffers for employees
- Convenient, free phone support



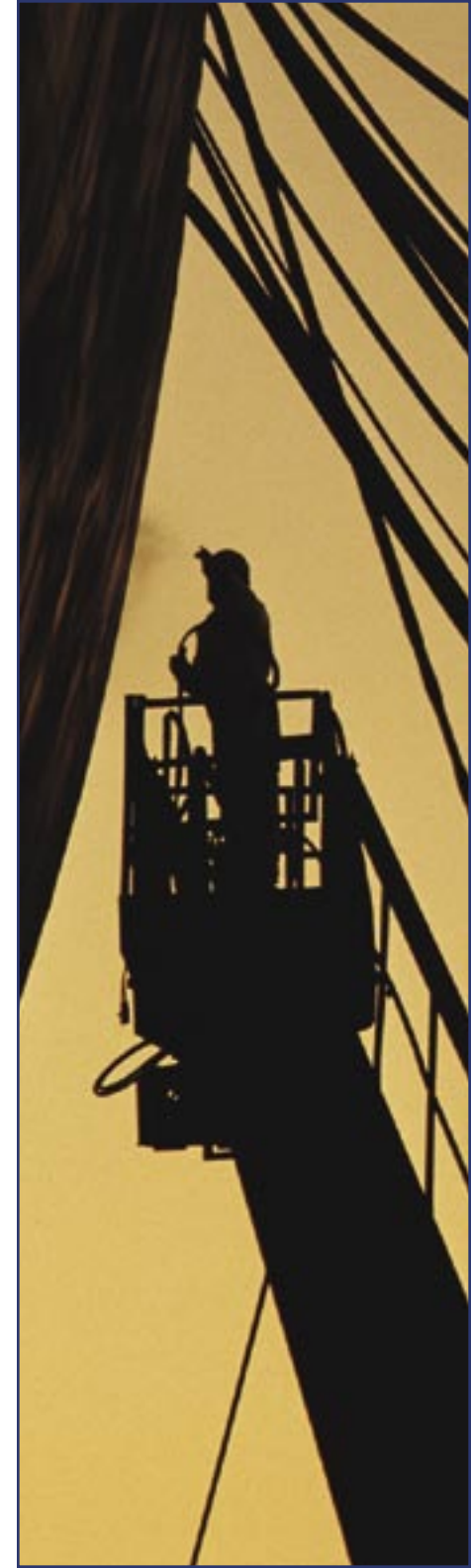
Group Life Program

- **Low Cost Benefit to Include with Your Medical Plan**
- **Coverage from \$10,000 to \$100,000**
- **Accelerated Benefits Option (ABO) and Accidental Death and Dismemberment (AD&D) Included**

ABC's Group Life plans, underwritten by Metropolitan Life Insurance Company, provide \$10,000 or more of life insurance coverage. The plans include Accidental Death and Dismemberment (AD&D) and an Accelerated Benefits Option (ABO) for employees and dependents who become ill and whose life expectancy is certified to be six months or less by a physician.

Select the plan schedule that will work best for your company and then decide on the level of coverage you want to offer.

- Flat – Coverage from \$10,000 to \$50,000.
- Earnings – Benefits based on annual income.
- Class – Benefits determined by employee class.



| | | | |
|---------------------------------------|-----------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Plan Design | <p align="center">Flat Schedule</p> | <p align="center">Earnings Schedule</p> | <p align="center">Class Schedule</p> |
| Life Benefit by Employee Class | <p>Flat amount is the same for all employees. Benefits selected in increments of \$5,000.</p> | <p>Amount based on employee earnings (rounded to the next higher \$1,000).</p> | <p>Flat amount as determined by employee class. Benefit levels available in increments of \$5,000.</p> |
| | <p align="center">All Employees</p> | <p align="center">All Employees 1 times base annual earnings to \$50,000 or 1 times base annual earnings to \$100,000 or 2 times base annual earnings to \$100,000</p> | <p align="center">General Employees \$10,000 to \$25,000</p> <p align="center">Supervisors \$10,000 to \$50,000</p> <p align="center">Executives or Owners \$10,000 to \$100,000</p> |



Short Term Disability Plans

- **Helps Protect Income due to Disability, Injury or Sickness**
- **Affordable Protection at Group Rates**

The financial consequences of disability can be devastating. That's why protecting the ability to work and earn an income is a vital and appreciated component of a complete employee benefits program.

Short Term Disability Income Insurance, underwritten by Metropolitan Life Insurance Company, helps protect you and your employees income in the event of a disability, injury or sickness.

Plan Designs

Choose the plan design that best meets your needs:

- **Fixed Schedule** – Select the same benefit payment for all employees of \$200 to \$1,500 a week.
- **Earnings Schedule** – Benefits based on 60% of an employee's weekly income, with payments as high as \$1,500 a week for qualifying incomes.

| | Fixed Schedule | Earnings Schedule |
|----------------------------------|-----------------------------------------------------------|-----------------------------------------------------------|
| Benefit Payment | Fixed amount | Percentage of income |
| Weekly Benefit | \$200 to \$1500 in \$10 increments | 60% of base weekly earnings |
| Disability Payment Begins | 1st day due to accident and 8th day due to sickness | 1st day due to accident and 8th day due to sickness |
| Disability Payment Ends | 13 weeks or 26 weeks | 13 weeks or 26 weeks |
| Maximum Payment | Lesser of fixed amount or 60% of base earnings | Up to \$1,500 per week |
| Maternity | Treated like sickness | Treated like sickness |

Benefit Payments and Duration

Benefits are paid during the period an employee is disabled due to a non-occupational accident or sickness. Payments begin the first day, if the disability is due to an accident, or the eighth day, if the disability is due to sickness – and are payable for up to 13 or 26 weeks.



Long Term Disability Insurance

- **Financial Protection for You and Your Employees**

Most employees, in the event of a disability, don't have enough savings to cover their monthly expenses over an extended period of time. Disability insurance provides the financial protection they need.

Financial Protection

Long-term disability insurance doesn't pay full wages, but it does pay up to 60% of base earnings. That 60% helps provide

a steady income until an employee can recover and return to work. And while the cost of coverage does increase for older employees, so does the possibility of experiencing a disability.

Plan Design Features

- Incomes up to \$200,000 annually can be fully covered.
- Premiums may be paid by the employee,

| |
|----------------------------------------|
| Type of Plan |
| Monthly Benefit Payment |
| Disability Payment Begins |
| Disability Payment Ends |
| Maximum Monthly Benefit Payment |

| |
|------------------------------------------------------------------------------|
| Earnings Schedule |
| Based on earnings |
| 60% of base monthly earnings |
| After 6 months of total disability |
| Up to age 70 |
| All Employees up to \$10,000 per month depending on monthly income |

- by the employer, or the cost may be shared.
- Benefit payments begin after six months of total disability.
 - Monthly benefit payments end when the participant recovers from disability or reaches age 65, whichever is sooner. (Active employees over age 60 are covered up to age 70, according to a benefit schedule.)
 - Benefit payments are not reduced by any individual disability insurance a participant may have.

(Long-term disability plans are underwritten by UnumProvident.)



Extra Insurance Plans

- **Supplemental Life**
- **Voluntary Benefits**
- **Long-Term Care**

You can help your employees supplement their life insurance protection needs by offering one, two or all three of ABC's ExtraLife insurance plans to your employees.

Supplemental Life

Enables employers to offer employees additional life insurance coverage options. Employees have the opportunity to buy competitively priced group insurance to fit their needs – paying all or part of the premium through the convenience of payroll deduction.

(An employee with combined Group Life and Supplemental Life coverage that exceeds the following is subject to evidence of insurability: less than 15 insured employees, \$20,000; 16-49 employees, \$50,000; 50-plus employees, \$100,000. Life insurance coverages underwritten by Metropolitan Life Insurance Company.)

Dependent Life

Employer paid protection for all employees with dependents. Choose from two schedules.

Special AD&D

Employer paid plan that provides up to \$250,000 of 24 hour accidental death and dismemberment coverage.

(Special AD&D plan is underwritten by AIG Insurance Company.)

Employee Voluntary Benefits Program

The ABC Merit Choice voluntary benefit program allows you to offer your employees more benefit choices without impacting your employee benefits budget. ABC Merit Choice offers fully insured voluntary benefits from top-rated insurance carriers and will help you choose a program

| | | | | |
|------------------------------|--------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|---------------------------|---------------------------------------------------|
| Plan Design | Supplemental Life | Dependent Life | | Special AD&D |
| Life Benefit by Class | Fixed amount as determined by employee class. Benefit levels available in increments of \$5,000. | Fixed amount as determined by relationship to employee. (Children over 6 months old are covered.) | | Fixed amount as determined by employee class. |
| | Employees \$10,000 to \$25,000 | Child \$2,500 | Child \$5,000 | Hourly Employees \$25,000 |
| | Supervisors \$10,000 to \$50,000 | Spouse \$5,000 | Spouse \$10,000 | Salaried Employees \$50,000 |
| | Executives or Owners \$10,000 to \$100,000 | | | Officer or Owner \$100,000 or \$250,000 |

for your company. Voluntary benefits include:

- Accident/Disability
- Dental
- Hospital Confinement Indemnity
- Limited Medical
- Hospital Intensive Care
- Life
- Specified Health Event

Long Term Care

The need for long-term care is a reality many of us will face. A long-term care policy will help you meet the future with confidence, dignity and financial security. Private long-term care insurance provides you more choice as to the quality and type of care you will receive. ABC Merit Choice is pleased to offer ABC members special discounts on long-term care insurance coverage with John Hancock



Vision

- **Low Cost**
- **Prescription Safety Lenses**
- **Disposable Contact Lenses**
- **Transition Lenses**
- **Lasik Surgery Discounts**

ABC's vision coverage enables you to enhance your employee benefit program with a plan that will be appreciated by most every employee. Vision coverage offers coverage every two years for eye exams, lenses, and frames. In-network benefits include a copay for exams and materials. There are over 20,000 private practice and retail chain network providers nationwide.

Insureds can check the provider network by going on line to www.spectera.com or call 1-800-839-3242. The ABC Vision Plan is a fully insured program administered by Spectera, a UnitedHealth Group Company.

| BENEFITS | NETWORK* | OUT-OF-NETWORK |
|---------------------------------------------------------------------------------------------------|--------------------|-------------------------|
| Eye Exams | 100% | Up to \$50 |
| Spectacle Lenses | | |
| Single Vision | 100% | Up to \$55 |
| Bifocal | 100% | Up to \$75 |
| Trifocal | 100% | Up to \$95 |
| Lenticular | 100% | Up to \$125 |
| Polycard Lenses (Safety) | 100% | Covered as above |
| Frames | 100% | Up to \$80 |
| Elective Contact Lenses | | |
| Covered-in-full contacts | 100% | Up to \$150 |
| All other elective contacts | Up to \$150 | Up to \$150 |
| Necessary Contact Lenses | 100% | Up to \$210 |
| Copays | | |
| Exams | \$10 | \$0 |
| Materials | \$25 | \$0 |
| * 100% after applicable copays up to the maximum allowance as defined in the benefit description. | | |

Trust ABC Merit Choice to Work for You

Merit Choice combines commitment to personal support with the resources of a national organization to serve your health and group insurance needs.

Our insurance professionals know the challenges you face in the construction industry. For over 48 years we've been providing expert health insurance solutions for merit shop contractors. You can rest assured that you'll always get the right solution for your business.

Our focus is straightforward: research the market to find you the best health insurance value available for your money and provide you with outstanding service and support. We are committed to working for you.





MERITCHOICE®
Insurance & Benefits

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