

Citizens Property Insurance Corporation

Guide to Employee Benefits

2008

Introduction

Inside this issue:

Eligibility	2
Enrollment Info	2
Health Plan Options	3
Medical Benefits at a Glance	4
Flexible Spending Account	6
Other Employee Benefits	7
Contact Info	8

Citizens Property Insurance Corporation (Citizens) is proud of our productive and responsive workforce—and we recognize that *you are the difference in the excellent services that we provide to our clients*. By insuring homeowners in high-risk areas, we serve those who often cannot find coverage in the private insurance market.

We are committed to our dedicated employees and are pleased to offer challenging and fulfilling careers, as well as an excellent compensation and benefits package.

We understand the significant role benefits play in the lives of you and your family. This is why we proudly offer as part of your total compensation package, a comprehensive benefit plan for you and your eligible dependents that includes medical, dental, life, accidental death and dismemberment (AD&D), disability benefits, and flexible spending accounts (FSAs).

This enrollment guide will help you make the best decisions regarding your coverage by providing information about:

- Eligibility requirements,
- Enrollment procedures,
- Benefit plans, and
- Important contact information, should you have questions about your plan options.



Special points of interest:

This guide highlights your benefits. It is not a summary plan description (SPD). Official plan and insurance documents actually govern your rights and benefits, including covered expenses, exclusions, and limitations, please refer to the individual SPD's. If any discrepancy exists between this guide and the official documents, the official documents will prevail.

1. Medical plans for 2008—BlueCross BlueShield of Florida will continue providing your PPO for all locations and your HMO for Jacksonville. Capital Health Plan will continue to provide your HMO in Tallahassee. Dental PPO will continue to be provided through BCBS. Medical and Dental plans are offered as separate plans. You may elect medical and/or dental, combined or separate. Details of the benefits are provided on page 3.

2. FSA debit card feature—The Visa Flex Convenience Card will allow you to pay for eligible health care and dependent care out-of-pocket expenses by simply swiping your card at the time of your transactions. See the “Flexible Spending

Accounts” section for more information.

3. Supplemental life insurance coverage—In addition to purchasing coverage for yourself, you may also purchase coverage for your eligible dependents. Please see page 4 for more information.

4. Online enrollment system—Enrolling for your benefits online will be simple and secure. Simply log on to Kronos Employee Self Service located on the Citizens Central Portal.



Eligibility

As a regular employee of Citizens who works at least 20 hours per week, you are eligible to participate in the benefit plans offered in this guide. You may also elect coverage for your dependents (when available), including:

- your legal spouse,
- and your unmarried children who are:
 - Less than 19 years old,
 - 19 years old, but less than 25 years old, and enrolled in school as a full-time student and supported primarily by you (proof of their ages, status as students, and dependence must be submitted), 19 or more years old and supported primarily by you, and who

are incapable of self-sustaining employment by reason of mental or physical handicap (proof of their condition and dependence must be submitted).

Enrollment Information

New Hires

As a new employee of Citizens, your coverage becomes effective on your date of hire.

Open Enrollment

Benefit-eligible employees have the opportunity to enroll in or make changes to their benefit plans during an open enrollment period. Benefits become effective on January 1st of the following year.

Enrollment Procedures

The following steps will guide you through the enrollment process.

1. **Carefully review** the plan information in this benefit enrollment guide and all other plan materials included in your enrollment packet. The insurance carriers' Web sites also provide important information and tools that can help you make enrollment decisions.

2. **Consider the needs** of any dependents you may have. If you are married, review any coverage currently offered through your spouse's employer to avoid costly duplicate coverage.

3. Should you decide to decline coverage, you will still need to complete the enrollment online indicating your choice to waive coverage.

4. Enrollment must be completed no later than:

- **Open Enrollment:** *The end of the Open Enrollment period.*
- **New Hires:** *Within two weeks after your date of hire.*

Section 125 and Benefit Election Changes

Under Section 125 of the Internal Revenue Service (IRS) code, you are allowed to pay for certain group insurance premiums with tax-free dollars. This means your premium deductions are taken before federal income and Social Security taxes are calculated. Depending on your tax bracket, your savings could be significant.

However, you must make your benefit elections carefully, including the choice to waive coverage, because your pre-tax elections will remain in effect until the next annual open enrollment period,

unless you experience an IRS-approved qualifying change in status. Qualifying change in status events include, but are not limited to:

- marriage, divorce, or legal separation*,
- death of spouse or other dependent,
- birth or adoption of a child,
- a spouse's employment begins or ends, a dependent's eligibility status changes due to age, student status, marital status, or employment,

- you or your spouse experience a change in work hours that affect benefit eligibility, and
- relocation into or outside of your plan's service area.

**The state of Florida does not recognize legal separation.*

If you experience a qualifying change in status event, you can make changes to your benefit elections provided your elections are consistent with the event and you notify Human Resources within 30 days of the event.

Your Health Plan Option

Medical Benefits

Citizens provides two medical plans through **BlueCross BlueShield of Florida**, the HMO and the PPO, as well as the **Capital Health Plan HMO**. The company pays for 90% of you and your dependents' medical coverage. You pay for the remaining 10% of your medical premiums, with pre-tax dollars.

Please refer to the insert chart entitled "Medical Benefits at a Glance" for a description of each plan's coverages.

You may choose from four different coverage tiers:

- Employee only,
- Employee + Spouse,
- Employee + Child(ren), and
- Family.

Health Maintenance Organization (HMO)

Enrolling in the BCBS or Capital Health Plan (CHP) Health Maintenance Organization (HMO) entitles you to receive care from physicians, hospitals, or other high-quality providers who participate in the plan's network.

When you enroll in an HMO plan, you will be asked to select a primary care physician (PCP) from the network. The PCP you choose will help you manage all aspects of your health care. However, you will need to obtain a pre-certification if you are admitted to a hospital in order for you to receive in-network benefits (except for a qualifying emergency). A qualifying emergency is an accidental injury or the sudden and unexpected onset of a condition requiring immediate medical or surgical care. Capital Health Plan (CHP) must be notified as soon as possible of any medical emergency. Pre-certification is required

on all non-emergency hospital stays.

Preferred Provider Organization (PPO)

The PPO plan gives you the flexibility of a traditional indemnity medical plan as well as managed care features. At the time you actually seek medical care, you decide whether to use a health care provider within the BCBS PPO network or choose a provider outside the PPO network. In-network care is covered by lower preset co-pays or by higher coinsurance proportions that typically keep your out-of-pocket costs low. However, out-of-network care is available at higher out-of-pocket costs. Additionally, the provider may bill you for amounts exceeding the plan's payment schedule for care received out-of-network, and you will have to file claim forms for reimbursement. With out-of-network care you also have access to fewer benefits.

BCBS Dental

The PPO dental plan, provided through BCBS, gives you the flexibility to choose to use in-network or out-of-network providers when you need dental care. The company pays for 90% for you and your dependents' dental coverage. You pay for the remaining 10% of your dental premiums, including any dependent coverage you elect, with pre-tax dollars. You can locate network dental providers by calling BCBS or on the web at www.bcbsfl.com.

Preventive care is always covered 100%. In-network basic and major services are covered at a higher percentage than out-of-network care.

For care received out-of-network, the provider may bill you for amounts exceeding the plan's payment schedule.

BCBS Dental Options		
	In-Network	Out-of-network
Deductible	\$50 individual/ \$100 family max.	\$50 individual/ \$100 family max.
Calendar Year Maximum	\$2,000	\$2,000
Orthodontic Maximum	\$1,000	\$1,000
Preventive Services	100% no deductible	100% no deductible
Basic Services	80%	80%
Major Services	50%	50%
Orthodontic Services	50%	50%

Medical Benefits at a Glance

	Capital Health Plan Tallahassee	BCBS HMO Florida	BCBS PPO Tallahassee & Florida	
	In-Network	In-Network	In-Network	Out-Of-Network
Deductible	N/A	N/A	\$300 Individual \$900 Family	\$300 Individual \$900 Family
Annual out of-pocket maximum	\$2,000 Individual \$4,500 Family	\$1,500 Individual \$3,000 Family	\$2,000 Individual \$6,000 Family	\$2,000 Individual \$6,000 Family
Lifetime maximum	Unlimited	Unlimited	\$5,000,000	\$5,000,000
Physician services				
Office visits	\$15 co-pay	\$15 co-pay	\$15 co-pay	Deductible + 30%
Specialists	\$25 co-pay	\$25 co-pay	\$25 co-pay	Deductible + 30%
Chiropractic	\$25 co-pay	\$25 co-pay	\$25 co-pay	Deductible + 30%
Immunizations	\$25 co-pay	\$25 co-pay	\$25 co-pay	Deductible + 30%
Routine physicals	\$25 co-pay	\$25 co-pay	\$25 co-pay	Deductible + 30%
Well baby	\$25 co-pay	\$25 co-pay	\$15 co-pay	Deductible + 30%
Maternity– Office Visits	\$25 co-pay	\$25 co-pay	\$25 co-pay	Deductible + 30%
Pharmacy prescription 30-day supply				
Generic	\$10 co-pay	\$10 co-pay	\$10 co-pay	Deductible + 30%
Preferred	\$25 co-pay	\$25 co-pay	\$25 co-pay	Deductible + 30%
Non-preferred	\$40 co-pay	\$40 co-pay	\$40 co-pay	Deductible + 30%
Contraceptives	Covered	Covered	Covered	Deductible + 30%
Mail-order prescription 90 day supply				
Generic	N/A	\$20 co-pay	\$20 co-pay	Not covered
Preferred	N/A	\$50 co-pay	\$50 co-pay	Not covered
Non-preferred	N/A	\$80 co-pay	\$80 co-pay	Not covered
Emergency room	\$100 co-pay; waived if admitted	\$50 co-pay; waived if admitted	Deductible + 20%	Deductible + 30%
Ambulance (When medically necessary)	No co-pay	No co-pay	Deductible + 20%	Deductible + 30%
Hospital services	\$250 per admission	\$150/day; \$750 max.	Deductible + 20%	\$300 + deductible + 30%
Home health service	No co-pay	No co-pay	Deductible + 20%; \$2,500 calendar yr. max.	Deductible + 30% \$2,500 calendar yr. max.
Skilled nursing services	No co-pay	No charge, up to a 90-day max.	Deductible + 20% 60-day max.	Deductible + 30% 60 day max.
Durable medical equipment	No co-pay	No co-pay	Deductible + 20%	Deductible + 30%
Mental health				
Inpatient	\$250/admission; 31 days/calendar year max.	\$150/day; \$750 admission max.; 30 days/calendar year max.	Deductible + 20% 30 days/calendar year	Deductible + 30% 30 days/calendar year
Outpatient	\$25/visit; 20 visits/year	\$25/visit; 20 visits/Year	\$25/visit; 20 visits/year	Deductible + 30% 20 visits/year
Substance abuse				
Inpatient	\$250/admission; 31 days/calendar year max.	\$150/day; \$750 admission max.; Detox Only	\$2,500 lifetime max Deductible + 20%	\$2,500 lifetime max Deductible + 30%
Outpatient	\$25/visit; 20 visits/year	\$15/visit; 20 visits/Year	\$25/visit;	Deductible + 30%

Your Benefit Options

Basic Life and Accidental Death and Dismemberment (AD&D)

Eligible employees receive basic life and AD&D insurance coverage through Sun Life. Citizens provides a basic benefit of two times (2x) your basic annual earnings at no cost to you. The maximum benefit is \$500,000.

Supplemental Life

You may purchase supplemental life coverage through Sun Life for yourself and your eligible dependents. Spouse maximum benefit may not exceed 50% of employee optional amount up to \$150,000. You pay the total cost of supplemental insurance premiums with after-tax payroll deductions.

Insurance for....	You May Purchase...*
Employee	Three times (3x) your basic annual earnings, up to a maximum of \$500,000
Spouse	<ul style="list-style-type: none"> \$5,000 increments, up to a maximum of \$150,000 with a minimum of \$10,000. Guarantee issue amount of \$35,000 (no Evidence of Insurability (EOI) required).
Eligible Dependent Child(ren)	\$10,000/child \$2,500 increments

**Evidence of Insurability (EOI) is required for all amounts over \$35,000.*

Short-term Disability Benefits (STD)

Full-time employees are eligible for short-term disability coverage on an advice only program through Citizens salary continuance program.

Benefits will be determined by length of service and approval of attending Physician Statement.

Long-term Disability Benefits (LTD)

Full-time employees are eligible for long-term disability coverage through Sun Life at an additional premium paid by you.

If you elect to pay for long-term disability, you are eligible to receive benefits after 26 weeks of a qualified disability. You will receive 60% of your basic monthly earnings, up to a maximum monthly benefit of \$10,000.

Retirement-Employment Savings Plan 401(a)/457(b)

Citizens offers eligible employees participation in the Employment Savings Plan—401(a)/457(b). Plan features include:

- Eligible to participate on date of hire
- The Company will match up to the first 8% of your contributions at 100%
 - You may contribute up to 50% of your pay on a pre-tax basis, to a maximum allowed by the IRS
 - You will be fully vested in the matching contributions after three years of employment at a rate of 33.33% annually.

Please contact Human Resources for more information.

Principal Retirement Savings Enrollment Forms must be completed and are located on Employee Central or the Human Resources office.

See *Additional Employee Benefits* and *Contact Information* on the enclosed insert.

Update Your Beneficiaries!

It is important that you keep your beneficiary designations up to date. Your beneficiary(ies) is the person you assign to receive your benefits in the event of your death.

You may obtain a copy of the Beneficiary Designation Form from Human Resources or update on Kronos Self Service.



Your Benefit Options

Flexible Spending Accounts (FSAs)

Citizens offers an excellent tax-saving benefit to our employees—Flexible Spending Accounts (FSAs)! You can choose to enroll in one or both accounts—the Health Care Reimbursement Account (HCRA) and the Dependent Care Reimbursement Account (DCRA).

These accounts save you money by allowing you to set up regular tax-free deductions from your paycheck to cover eligible health and/or dependent care out-of-pocket expenses. This means your contributions are deducted before state*, federal, and Social Security taxes are calculated. You may contribute up to \$3,000 per year for the HCRA and \$5,000 for the DCRA. Remember, any money left in your account(s) at the end of the year are forfeited, so plan carefully when making your contributions.

Flex Convenience Card Feature

The debit card can be used to pay eligible dependent care and health care expenses (co-pays, coinsurance, deductible amounts, etc.) not covered by your health care plan that you, or your covered dependents, have incurred during the plan year. Simply swipe your card for eligible transactions at the time of purchase—no need to fill out claim forms or wait for reimbursement. You may be asked to show proof of purchase; please save your receipts.

For more information, please refer to your enrollment materials.

**Not all states allow pre-tax deductions.*

Bob and Jane's combined gross income is \$30,000. They have two children and file their income taxes jointly. Since Bob and Jane expect to spend \$2,000 in adult orthodontia and \$3,300 for daycare next plan year, they decide to direct a total of \$5,300 into their FSAs.

	Without FSAs	With FSAs
Gross income:	\$30,000	\$30,000
FSA contributions:	0	-5,300
Gross income:	30,000	24,700
Estimated taxes:		
Federal	-2,550*	-1,755*
State	-900**	-741**
FICA	-2,295	-1,890
After-tax earnings:	24,255	20,314
Eligible out-of-pocket medical and dependent care expenses:	-5,300	0
Remaining spendable income:	\$18,955	\$20,314
Spendable income increase:		\$1,359

*Assumes standard deductions and four exemptions.

**Varies, assume 3%.

The example above is for illustrative purposes only. Every situation varies and we recommend that you consult a tax advisor for all tax advice.

Health Care Reimbursement FSA

The Health Care Reimbursement FSA lets you pay for certain IRS-approved medical care expenses not covered by your insurance plan with pre-tax dollars. For example, cash that you now spend on deductibles, copayments, or other out-of-pocket medical expenses can instead be placed in the Health Care Reimbursement FSA pre-tax, to pay for these expenses. The annual maximum contribution to the Health Care Reimbursement FSA is \$3,000 annually.

Eligible Expenses

Eligible health care expenses for the Health Care Reimbursement FSA include more than just your deductible and copayments. Generally, any medically necessary health care expense that you can deduct on your tax return is considered an eligible expense. Some examples include:

- Hearing services, including hearing aids and batteries
- Vision services, including contact lenses, contact lens solution, eye examinations, and eyeglasses
- Dental services and orthodontia
- Chiropractic services
- Acupuncture
- Prescription contraceptives

Dependent Care Reimbursement FSA

The Dependent Care FSA lets you use pre-tax dollars towards qualified dependent care. The annual maximum amount you may contribute to the Dependent Care FSA is \$5,000.

If you elect to contribute to the Dependent Care FSA, you may be reimbursed for:

- The cost of child or adult dependent care
- The cost for an individual to provide care either in or out of your house
- Nursery schools and preschools (excluding kindergarten)



Your Benefit Options

Eligible Expenses

In order for dependent care services to be eligible, they must be for the care of a tax dependent child under age 13 who lives with you, or a tax dependent parent, spouse, or child who lives with you and is incapable of caring for himself or herself. The care must be needed so that you and your spouse (if applicable) can go to work. Care must be given during normal working hours — Saturday night babysitting does not qualify — and cannot be provided by another of your dependents.

Is the FSA Program Right for Me?

The Flexible Spending Accounts are beneficial for anyone who has out-of-pocket medical, dental, vision, hearing, or dependent care expenses beyond what his or her insurance plan covers.

It's easy to determine if a FSA will save you money. At enrollment time, you will need to determine your annual election amount. Estimate the expenses that you know will occur during the year. These include out-of-pocket expenses for yourself and anyone claimed as a dependent on your taxes. If you had \$100 or more in recurring or predictable expenses, the accounts can help you stretch your dollars.

How Do the Accounts Work?

If you decide to enroll in one or both of the accounts, your contributions are taken out of each paycheck — before taxes — in equal installments throughout the plan year. These dollars are then placed into your FSA. When you have an eligible health care or dependent care expense, your FSA debit card may be used to pay for these expenses. In many cases, this automatic service may eliminate the need to file claims for reimbursement.

The Health Care Reimbursement FSA will reimburse you for the full amount of your annual election (less any reimbursement already received), at any time during the plan year, regardless of the amount actually in your account.

The Dependent Care FSA will only reimburse you for the amount that is in your account at the time you make a claim.



Citizens provides other important benefits to our employees, including:

- **EAP** - the Employee Assistance Program offers assistance with personal problems, such as stress or family problems that may or may not affect job performance. This service provides up to six free counseling sessions per year.
- **Tuition Assistance Program** - the Educational Assistance Program helps pay for college courses at the state tuition level. You must be a 40-hour-per-week employee with at least one year of service to participate.
- **Vacation** - Employees scheduled to work at least 20 hours per week receive paid vacation time after three months of employment. Your vacation time depends on the number of hours you work. Please see your employee handbook for further details.
- **Paid holidays** - 10 paid holidays are recognized per year.
- **Sick time** - All employees scheduled to work 40 hours per week receive 12 days or 96 hours of sick time per year. Employees scheduled to work between 20 and 40 hours per week will receive a pro-rated number of sick time hours.
- **Other types of leave** - Citizens provides leaves for jury duty, military duty, and Family Medical Leave.
- **Business Travel Accident** - This coverage is paid 100% by the company and provides a \$150,000 benefit in the event of your death while traveling on company business.

Contact Information

Benefit	Phone	Web site /E-mail
Medical		
BlueCross BlueShield of Florida HMO	800-322-2808	www.bcbsfl.com
BlueCross BlueShield of Florida PPO	800-322-2808	www.bcbsfl.com
Capital Health HMO	800-469-2472	www.capitalhealth.com
Dental		
BlueCross BlueShield of Florida PPO	877-203-9921	www.bcbsfl.com
Employee Assistance Program (EAP)		
The Allen Group (TAG)	800-272-7275	www.theallengroup.com
Life Insurance		
Sun Life	800-247-6875	www.sunlife-usa.com
Supplemental Life Insurance		
Sun Life	800-247-6875	www.sunlife-usa.com
Short-term Disability		
Sun Life	800-247-6875	www.sunlife-usa.com
Long-term Disability		
Sun Life	800-247-6875	www.sunlife-usa.com
Flexible Spending Accounts		
Wage Works	800-582-9740	www.wageworks.com
Retirement-Employment Savings		
Principal	800-547-7754	www.principal.com
Local HR Contact		
Human Resources - Jacksonville 6676 Corporate Center Parkway Jacksonville, FL 32216	904-208-7472	askhr@citizensfla.com
Human Resources - Tallahassee 2101 Maryland Circle Tallahassee, FL 32303	850-513-3709	askhr@citizensfla.com
Human Resources - Tampa 3802 Coconut Palm Drive Tampa, FL 33619	813-490-6730	askhr@citizensfla.com