

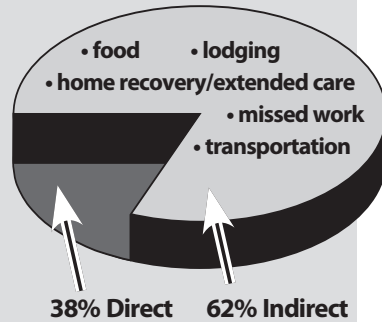
This benefit does not require annual re-enrollment.

Cancer

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 the American Cancer Society — and it is always costly. NCFlex offers Cancer Insurance, underwritten by American Heritage Life Insurance Company (Allstate Work Division (AWD)), to help pay for cancer-related expenses.

CANCER — THE COST

Because it strikes so frequently, and because it is often fatal if ignored, cancer consumes enormous health care dollars. The National Institutes of Health estimate that the overall annual costs for cancer in 2006 was \$206.3 billion. This number includes \$78.2 billion for direct medical costs, \$17.9 billion for indirect morbidity costs (cost of lost productivity due to illness) and \$110.2 billion for indirect mortality costs (cost of lost productivity due to premature death).*



* Cancer Facts & Figures, American Cancer Society, 2007

This year you will have three plan options and two coverage levels to choose from depending on how much coverage you need. If you are currently enrolled in NCFlex Cancer Insurance, you may increase your coverage by one level without Evidence of Insurability.

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, and Primary Biliary Cirrhosis.

COVERAGE

You can choose between three plan options depending on your cancer insurance needs. All three plan options offer the same type of benefits and/or services. However, in most cases, 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 the following page for more details.

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 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)	\$150 (2 @ \$75)	\$93.81	\$68.91 (\$5.74/Month)
Premium – Family	\$431.52 (\$35.96/Month)	\$200 (2 @ \$100)	\$129.45	\$102.07 (\$8.51/Month)

Allstate Workplace Division is the marketing name for American Heritage Life Insurance Company (Home Office, Jacksonville, FL), a wholly-owned subsidiary of The Allstate Corporation © 2008 Allstate Insurance Company.

SUMMARY OF BENEFITS

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



Benefit	Low Option	High Option	Premium Option
Cancer Screening Benefit** (per calendar year/per covered insured)	\$25	\$75	\$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
Premium Waiver	premiums waived after 90 days of disability due to cancer for insured employee		

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

** Cancer 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 prostate Specific Antigen blood test for prostate cancer); and Serum Protein Electrophoresis (test for myeloma). This benefit is paid regardless of the result of the test.

SPECIAL ENROLLMENT OPPORTUNITY

If you are currently enrolled in the Low or High Options, you may **increase your coverage by one coverage level without Evidence of Insurability (EOI).**

For Example:

Current Coverage	New Coverage Level
Low Option Employee	High Option Employee
Low Option Family	High Option Family
High Option Employee	Premium Option Employee
High Option Family	Premium Option Family

ELIGIBLE DEPENDENT

Your eligible dependents include your spouse or unmarried dependent child(ren) up to age 22, or if enrolled as a full-time student, up to age 26. Verification of full-time student status will be required once a year. For more information on dependent eligibility refer to the "2009 Dependent Eligibility" section.

EVIDENCE OF INSURABILITY (EOI)

If you enroll in this plan the first time it is offered, you may elect coverage on a guaranteed basis (without providing EOI).

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 decide to enroll for cancer insurance coverage, increase your coverage or add your family to your coverage at a later date, you will have to provide an EOI form to AWD for approval before coverage becomes effective.** You can access an EOI form by visiting 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. You do not need to provide Evidence of Insurability (EOI).

Existing Employees:

- 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.
- 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.
- Only during the 2009 annual enrollment period, if you are currently enrolled in the Low Option or the High Option and decide to increase your coverage one level, (i.e., Low to High or High to Premium), you may do so without EOI. If you decide to increase your coverage at a later date, you will need to submit EOI.

SUBMITTING EOI

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

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. AWD 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.

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

CONVERSION PRIVILEGE

Under the conversion feature, you or your covered dependents may convert your cancer insurance coverage to an individual policy if coverage is terminated. You must convert the policy within 31 days of termination, and you pay the full cost of individual policy coverage.

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).

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.

COMPARE YOUR OPTIONS: CANCER VS. CRITICAL ILLNESS COVERAGE

Features	Cancer	Critical Illness
Benefit	Reimburses actual expenses up to a specified amount	Pays flat \$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 • Heart Attack • Stroke • Major Organ Transplant • Kidney Failure • Coronary Artery Bypass Graft
Wellness Benefit	Yes	No
Dependent Coverage	Yes	Yes
Coverage Continuation	Conversion	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 • More comprehensive plan for cancer illnesses • Cancer insurance assists with long-term treatments • Flat rate regardless of age • Benefits paid directly to the insured to be used at their discretion 	<ul style="list-style-type: none"> • Covers multiple illnesses • 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