



Good reasons to subsidise health for your staff

+ Carrots are a goldmine of nutrients. They give you vitamins A, B, C, D and E. They also contain calcium pectate, which helps to lower cholesterol.

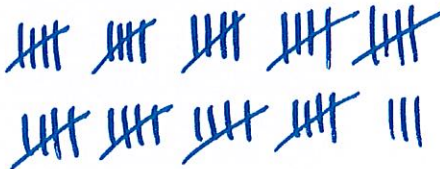
Time off due to illness requiring surgery is significantly reduced for those insured versus those uninsured **(14 days vs 48 days).**

Source: TNS survey, 2004

AVERAGE TIME OFF WORK

With health insurance

No health insurance



Three quarters of all New Zealand adults (75%) would not be able to self fund imminent elective surgery costing **\$5,000** or more.

Source: TNS survey, Oct 2009

NZIER research on the effect of output on a day off work found an average **\$100** was lost for every employee absent for a day. For the whole economy, the savings from workplace health insurance in terms of loss of output avoided is **\$117 million** a year.

Source: Employment Today, July 2008.



The cost of healthcare in New Zealand

Below are some conditions and the cost of common procedures to treat them*

Cataracts

Cataract extraction and lens replacement

\$3,100 - \$4,700

Skin cancer

Removal of skin lesions

\$800 - \$3,900

Breast cancer

Unilateral mastectomy (removal of tissue from one breast)

\$7,000 - \$12,000

Heart disease

Coronary artery bypass graft (rechannel blood flow to the heart)

\$38,000 - \$57,000

Suspected heart disease

Cardiac angiogram (diagnostic test)

\$3,800 - \$4,800

Osteoarthritis

Total hip replacement

\$19,000 - \$25,000

Gallstones

Laparoscopic cholecystectomy (removal of gall bladder)

\$8,000 - \$10,000

Endometriosis

Laparoscopic excision of endometriosis (removal of endometrial tissue located outside of the uterus)

\$6,000 - \$14,000

Prostate cancer

Radical retropubic prostatectomy without node dissection (removal of the prostate gland)

\$15,000 - \$21,000

Eye squints

Correction of strabismus

\$3,000 - \$6,100

Ear infections

Grommets - unilateral and bilateral (one ear or both)

\$1,300 - \$2,900

Ongoing

throat infections

Adenoid/tonsil removal

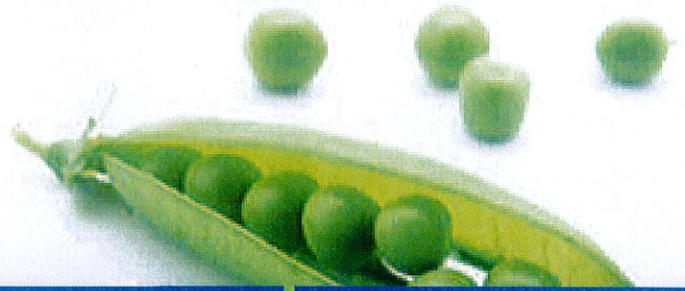
\$2,900 - \$4,900

Digestive problems

Gastroscopy with/without biopsy (examination of the upper digestive system with/without sample tissue removal)

\$400 - \$1,800

*Based on Southern Cross claims data 2012.



Summary of Southern Cross subsidised employer schemes

+ The legume family, which includes peas, is the vegetarian's best friend. Protein, minerals, fibre – you get them all.

The minimum criteria for establishing a Southern Cross Health Society employer scheme is five employees fully subsidised to a health plan.*

Premiums could cost as little as \$7.00 per week per employee.*

5 to 9 employees*

- Reduced premiums
- Immediate cover – no stand-down period for claiming

10 to 14 employees*

- Reduced premiums
- Immediate cover – no stand-down period for claiming
- Cover for qualifying pre-existing conditions (excluding cardiac) is available for the employee and immediate family members on completion of three years membership
- All employees in the organisation must receive a fully subsidised health insurance policy

15 to 24 employees*

- Reduced premiums
- Immediate cover – no stand-down period for claiming
- Immediate cover is available for qualifying pre-existing conditions for the employee and immediate family members
- All employees in the organisation must receive a fully subsidised health insurance policy

25 to 109 employees*

- Reduced premiums
- Immediate cover – no stand-down period for claiming
- The option of no underwriting is available (ie short application form). This provides immediate cover for qualifying pre-existing conditions for the employee and immediate family members.
- If all employees are not receiving a fully subsidised health insurance policy, then the criteria must be approved by Southern Cross

110+ employees*

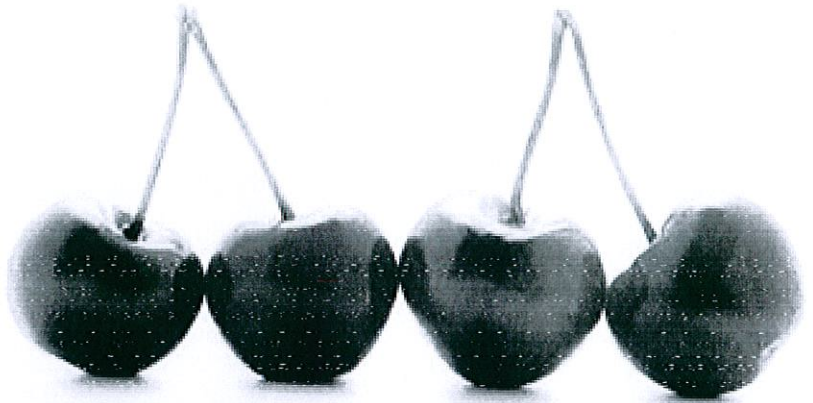
- Reduced premiums
- Immediate cover – no stand-down period for claiming
- The option of no underwriting is available (ie short application form). This provides immediate cover for qualifying pre-existing conditions for the employee and immediate family members
- If all employees are not receiving a fully subsidised health insurance policy, then the criteria must be approved by Southern Cross
- The scheme's claims experience may be reflected in the size of the discount

Continuation options

Advisers can arrange for employees to maintain cover when they leave an employer scheme.*

* Terms and conditions apply

Information current at April 2010








VIP plans

PLAN DETAILER

VIP plans offer four levels of cover, from the basic to comprehensive so you can choose one that fits your needs and budget. You can also opt to have an excess, which means you'll pay part of your claim cost in return for a reduced premium.

Each VIP plan provides 100% reimbursement of expenses (unless otherwise stated) for medically necessary procedures based on reasonable charges up to the policy limits stated in the Schedule of Benefits.

	VIP 1	VIP 2	VIP 3	VIP 4
 Surgical and medical Surgery, cancer care, home nursing, public hospital cash grant, and non-surgical hospitalisation	✓	✓	✓	✓
 Specialist, imaging and diagnostic Consultations, imaging (x-rays, ultrasounds, CT and MRI scans) and diagnostic and cardiac tests	✓ Only within 6 months of surgery	✓	✓	✓
 General medical GP visits, prescriptions, physiotherapy, osteopath, chiropractor, podiatrist, and acupuncture treatment			✓	✓
 Dental Consultations and treatment			✓ \$100 per claims year	✓ 75% of expenses, up to \$750 per claims year
 Prescription glasses and lenses				✓ 75% of expenses, up to \$500 per claims year
Excess options	\$250, \$500, \$1,000, \$2,000, or \$4,000	\$250, \$500, \$1,000, \$2,000, or \$4,000	No excess available	No excess available

Please note this is a summary only. For full details on the benefits and limits for each VIP plan and any other excesses or other conditions that may apply please refer to the Schedule of Benefits and Terms and Conditions for the VIP plans.



Southern Cross
Health Society

Plenty of reasons to trust us with your health

+ Oranges have long been popular as a rich source of vitamin C that can help ward off colds, assist healing and bolster the immune system.

More choice and faster treatment

Southern Cross health insurance gives you:

- faster access to treatment by avoiding public hospital waiting lists
- more choice of when and where you receive treatment for qualifying conditions.

More paid in claims

For every \$1 we've received in premiums, we've paid an average of 90 cents back to our members in claims.*

More plan options

We have the widest range of plans. It's easy to find the right balance of cover and cost to suit your needs.

Care for your whole family

You only pay for the first two children (under 21 years) on your policy** - the rest are free!

New Zealand's favourite health insurer

We look after the health and wellbeing of more New Zealanders and pay more claims than any other health insurer in New Zealand.

Not for profit - for you

We're here to look after the health of our members - we have no shareholders or overseas owners.

Juicy benefits and healthy savings

Your Southern Cross Member card is your key to special offers and discounts. Three times a year we'll send you vouchers, special offers from our partners, and a healthy lifestyle magazine.

Affiliated Provider network

Our Affiliated Providers include surgeons, specialists and facilities who are contracted to provide Southern Cross members with certain procedures at agreed prices. Affiliated Providers also make life easier for you, by organising prior approval and claims for contracted procedures on your behalf. So you can get on with getting better.

Financially strong

We've held our A+ financial strength rating from Standard and Poor's for nine consecutive years.***

The rating scale is:

AAA (extremely strong)	BBB (good)	CCC (very weak)
AA (very strong)	BB (marginal)	CC (extremely weak)
A (strong)	B (weak)	R (regulatory action)

Plus (+) or minus (-) signs following ratings from "AA" to "CCC" show relative standing within the major rating categories. Full details of the rating scale are available for inspection at our offices. Standard & Poor's (Australia) Pty. Limited is an approved agency under the Insurance Companies (Ratings and Inspections) Act 1994.

* Over the last five years (ended June 2011)

** Conditions apply. A child can only be insured as a dependant on his/her parent's policy

*** Given by Standard & Poor's (Australia) Pty. Limited on 21 February 2011

If you have any questions about your health insurance policy, please contact your adviser.



Agreement between Southern Cross Medical Care Society and _____ ("Company")
(Business name, legal entity)

Do you already have a Southern Cross work scheme? (If yes, please advise the code) _____

1. COMPANY CONTACT DETAILS

Trading name _____

Business postal address _____
Street number Street Suburb Town/city

Business physical address _____
(if different from above) Street number Street Suburb Town/city

Business phone [][] [][][][][][][][][][] Extn [][][][] Fax [][] [][][][][][][][][][]

Total number of employees _____ FTE count (if different) _____ Website (if available) _____

Decision maker details

Title _____ First name _____ Surname _____

Work phone [][] [][][][][][][][][][] Extn [][][][] Mobilephone [][][][][] [][][][][][][][][][]

E-mail _____ Job title _____
(mandatory)

Administration details

Title _____ First name _____ Surname _____

Work phone [][] [][][][][][][][][][] Extn [][][][] Fax [][] [][][][][][][][][][]

E-mail _____ Job title _____
(mandatory)

Adviser details

Title _____ First name _____ Surname _____

Southern Cross adviser code _____ Adviser company name _____

2. SUBSIDY ARRANGEMENT

Eligibility

All staff All full time staff All part time staff Other _____
Please specify

Tenure

Immediately on employment After 3 months After 6 months Other _____
Please specify

Subsidised members

Employee only Employee and spouse/partner Whole family Other _____
Please specify

If whole family, remove dependent children on policy anniversary after turning 21? Yes No (if no, please select a member payment type and frequency in section 2 of this form to cover payments for adult dependents)

Subsidised value

100% of plan VIP 1 VIP 2 VIP 3 VIP 4 Other _____
Please specify

Number of employees (who will be offered the subsidy) _____ Start date ____/____/____

3. PAYMENT ARRANGEMENTS

Please select one payment type and a corresponding billing frequency. If there are different arrangements within one group, please complete a separate form for each. All invoices are billed in advance.

Group payment type and billing frequency

<input type="checkbox"/> Direct debit	OR	<input type="checkbox"/> Bank transfer/cheque	OR	<input type="checkbox"/> No payment (only for voluntary schemes)
<input type="checkbox"/> Invoice monthly in advance. A corporate direct debit form must be completed.		<input type="checkbox"/> Invoice monthly in advance.		<input type="checkbox"/> No invoice. Member payment must be via direct debit or credit card.
		<input type="checkbox"/> Invoice quarterly in advance. The member payment type must be wage deduction .		

Member payment type and billing frequency

<input type="checkbox"/> Direct debit	OR	<input type="checkbox"/> Credit card	OR	<input type="checkbox"/> Wage deduction	OR	<input type="checkbox"/> No payment
<input type="checkbox"/> Weekly <input type="checkbox"/> Fortnightly <input type="checkbox"/> Monthly		<input type="checkbox"/> Monthly		<input type="checkbox"/> Weekly <input type="checkbox"/> Fortnightly <input type="checkbox"/> Monthly		<input type="checkbox"/> Member will receive invoice directly. (only for fully subsidised schemes where the member is not paying any top-ups)

Weekly or fortnightly payroll period (e.g. Monday to Sunday, Thursday to Wednesday) _____ to _____

Period covered Next payday ____/____/____ Period covered ____/____/____ to ____/____/____

4. DECLARATION

On behalf of _____ (name of company)

I confirm its agreement to the terms in this document in respect to the Southern Cross Medical Care Society (Southern Cross) health insurance work scheme (Scheme) in accordance with the proposal and further agree to the following in respect to the scheme

- To Southern Cross being its sole health insurer;
- It offering a 'use it or lose it' subsidy to the specified eligible employees via a one-time offer to each such employee;
- To inform its adviser within 30 working days of any new employees becoming eligible for the subsidy;
- To inform its adviser of any members leaving its employment (so they can consider options if they want to keep health insurance);
- To ensure that it has the necessary authorisations from eligible employees about the collection, use and disclosure of their personal information to and by Southern Cross in respect to the administration of the Scheme in accordance with the Privacy Act 1993 and any relevant code;

- To ensure that premiums and/or subsidies are paid to Southern Cross without set off or deduction, and to be responsible for all taxes including Fringe Benefit Tax (if any) payable;
- To tell Southern Cross of any change to the subsidy arrangement (e.g. if it stops offering the agreed subsidy to new employees etc);
- That Southern Cross is entitled to change premiums rates, benefits products, policy conditions and concessions etc by giving 30 days notice to members (and the company where applicable); and
- That the anniversary of the group is 12 months from the start date, and annually thereafter.
- This agreement starts on the Commencement Date and continues in force until terminated by either party giving no less than 1 month(s) written notice, such notice to expire at the end of the current billing period.
- That if it selects Direct Debit as a payment method, Southern Cross can send certain communications regarding the Direct debit to it by email.

Signature _____ Name _____ Date ____/____/____

5. RATING METHOD AND CONCESSIONS AGREED BY SOUTHERN CROSS MEDICAL CARE SOCIETY

Adviser Relationship Manager name _____ Date ____/____/____

Details checked, arrangement conforms to business rules _____

Concessions agreed and authorised by

Title _____ First name _____ Surname _____

Signature _____ Date ____/____/____

On behalf of Southern Cross Medical Care Society

Rating method

- Age-banded premiums for both subsidised and any voluntary employee portion
- Age-weighted for subsidised, age-banded for any voluntary employee portion

Concession type

- No cover for any pre-existing health conditions

The following can only be authorised by Southern Cross Medical Care Society

- Standard business
Eligible employees and their families can be covered for declared qualifying non-cardiac pre-existing health conditions after three years continuous cover on the Southern Cross VIP plan.
- Pre-existing condition concession
Eligible employees and their families will get immediate cover for declared qualifying pre-existing health conditions. Employees leaving the company can continue to be covered for qualifying pre-existing health conditions, provided they have completed two years continuous VIP plan membership and maintain a similar level of cover.
- Non-underwritten concession
Eligible employees and their families will get immediate cover for qualifying pre-existing health conditions. Employees leaving the company can continue to be covered for qualifying pre-existing health conditions, provided they have completed 12 months continuous VIP plan membership and maintain a similar level of cover.