

# MaxBuilder

(Also known as Maximum Carry-Forward Benefit)

## DEFINITIONS OF TERMS

- Carry-forward threshold means the maximum amount of benefits that a person can use and still be entitled to receive a carry-forward amount.
- Carry-forward amount means the dollar amount which may be carried over and added to the carry-forward account.
- Carry-forward account means the accrued amount of carry-forward dollars.
- Carry-forward account limit means the maximum amount that can be accumulated in the carry-forward account.

Available Base Plan Annual Maximum	Carry-Forward Threshold	Carry-Forward Amount	Carry-Forward Account Limit
\$750	\$375	\$200	\$750
\$1,000	\$500	\$250	\$1,000
\$1,500	\$750	\$375	\$1,250
\$2,000 (10+)	\$850	\$425	\$1,250
\$2,500 (51+)	\$950	\$475	\$1,250

## DESCRIPTION OF BENEFITS

We will carry over a portion of each person's unused base plan annual maximum up to the "carry-forward amount", subject to the "carry-forward threshold" and the "carry-forward account limit". The amount carried over will be saved in a "carry-forward account" to be used in future years when the member has reached that year's base plan annual maximum.

- Allows a portion of each member's base plan annual maximum to be carried over and saved in an account to be used in future years after the annual plan maximum has been used.
- Available with:
  - PPO and indemnity regular coinsurance plans.
  - Non-takeover and takeover groups.
  - Only calendar year employee-paid and 10-plus employer-funded groups, with full coverage of Preventive, Basic and Major and at least 80<sup>th</sup> percentile of R%C.
- Requires submission of claims for a prophylaxis and oral evaluation during the preceding policy year and claims payment not exceeding the carry-forward threshold.
- If the qualifying claims are not submitted within a given benefit period, there will be no carry-forward accrual into the following benefit period. Additionally, any accumulated amount will be removed and the carry-forward account will revert to \$0.
- If the carry-forward threshold has been exceeded, there is no carry forward accrual for that benefit period.
- If the carry-forward account limit has been met, there is no additional carry forward accrual.
- If a carry forward benefit is warranted, the full carry-forward amount is accrued. The only time a partial carry-forward amount can be added to the carry-forward account is when adding the full amount will exceed the carry-forward account limit.
- Orthodontic claims or AIG SmileMaker claims are not counted towards the "carry-forward Threshold".
- The claim system will track this benefit on an individual claimant basis.

## ILLUSTRATIONS

How AIG MaxBuilder works:

- Example 1

Waiting Period	Effective Date	Accrual Date	For Use as of Calendar Year
12-month waiting period	01/01/07	01/01/08 to 12/31/08	2009
	02/01/07	02/01/08 to 12/31/08	2009
	11/01/07	01/01/09 to 12/31/09	2010
No waiting period	01/01/07	01/01/07 to 12/31/07	2008
	02/01/07	02/01/07 to 12/31/07	2008
	11/01/07	01/01/08 to 12/31/08	2009

- Example 2

Base Plan Annual Max	Threshold	Carry-Forward Amount	Carry-Forward Account Limit
\$1,000	\$500	\$250	\$1,000

### Year 1

- Carry-Forward Account (CFA): \$0
- Paid Claims: \$400
- The paid claims of \$400 did not exceed the \$500 threshold for the plan annual maximum of \$1000. Therefore, \$250 is added to the CFA for year 2.

### Year 2

- CFA: \$250
- Paid claims: \$900
- The paid claims exceed the threshold of \$500. Therefore, no additional amount is added to the CFA for year 3. None of the CFA is used.

### Year 3

- CFA: \$250
- Paid claims: \$1,200
- The paid claims exceed the \$1000 annual maximum; therefore, \$200 of the CFA is used. No additional amount is added to the CFA because year 3 paid claims exceeded the threshold.

### Year 4

- CFA: \$50
- Paid claims: \$1,050
- The CFA for the next year is now empty. The remaining \$50 was used towards paid claims and no additional amount is added because year 4 paid claims exceed the threshold of \$500.

### Year 5

- CFA: \$0
- Paid claims: \$400
- Year 5 paid claims did not exceed the threshold and \$250 is added to the CFA. The CFA for the year 6 will now be \$250.