Your 2018 COBRA Coverage

The 2018 Annual Enrollment Period for COBRA Participants is Oct. 25 through Nov. 10, 2017.
2018 Summary of Changes

Beginning Jan. 1, 2018, you will have two new Liberty Mutual Health Plan Consumer Directed Health Plan (CDHP) options to choose from — CDHP Option 1 and CDHP Option 2. These two options will replace the current Preferred Provider Organization (PPO) and CDHP options. Although the new CDHP options will work the same way as the current CDHP option, there are key differences, described below, that you need to be aware of in order to select the option that will best meet your health care needs and budget.

You will receive a new ID card(s) from UnitedHealthcare regardless of which health plan option you choose. You will not receive a new ID card(s) from CVS/caremark.

Note: If you are currently enrolled for health coverage and do not make a health plan election for 2018, you will be enrolled in CDHP Option 1.

There are no changes to the Dental Plan or Vision Plan for 2018.

You can learn all about your health care, dental and vision care coverage choices for 2018 on the Your Total Rewards website (www.yourtotalrewards.com/libertymutual) beginning October 25.

2018 Health Plan Options

There will be two new Liberty Mutual Health Plan choices for 2018: CDHP Option 1 and CDHP Option 2.

What's the Same Under the Two New CDHP Options:

• Are administered by UnitedHealthcare
• Cover the same health care services
• Offer the same health care provider network
• Provide access to specialists without referrals
• Include prescription drug coverage
• Offer 100% coverage for preventive care
• Have the same annual deductible for in-network coverage: $500 single/$1,000 family

What's Different Under the Two New CDHP Options:

• **Monthly premiums**: Your monthly cost under CDHP Option 1 is higher than your monthly cost under CDHP Option 2.

• **Coinsurance**: Under CDHP Option 1, your in-network coinsurance is 15%; under CDHP Option 2 your in-network coinsurance is 25%. So you pay less out-of-pocket under CDHP Option 1 than you do under CDHP Option 2.

• **Out-of-pocket maximums***: Under CDHP Option 1, your in-network out-of-pocket maximum is individual $4,000/family $8,000; under CDHP Option 2, your in-network out-of-pocket maximum is individual $6,550/family $13,300. So your potential costs are less under CDHP Option 1 than under CDHP Option 2.

*If you have family coverage and you or a family member reach $7,350 in out-of-pocket costs during a calendar year (the IRS maximum), the plan pays 100% for that individual for the rest of the year. All other family members will continue to pay coinsurance until the full family out-of-pocket maximum is met.
How the CDHP Options Work:

- You pay 100% of your health care services and non-preventive prescription drugs until you meet your deductible. Both medical and prescription drug costs apply to your deductible. *Remember, preventive care is covered at 100%, as it is under your current coverage.*
- Once you meet your deductible, you and the plan pay coinsurance until you reach your out-of-pocket maximum. **Note: If you cover more than one person, you must meet the family deductible before you and the plan pay coinsurance.**
- If you have family coverage and you or a family member reach $7,350 in out-of-pocket costs during the calendar year (the IRS maximum), the plan pays 100% coverage for that individual for the rest of the year. All other family members will continue to pay coinsurance until the full family out-of-pocket maximum is met.
- Once you reach your out-of-pocket maximum, the plan pays 100% of covered services for the rest of the year.
- Under the new CDHP options, no individual will have to pay more than the individual out-of-pocket maximum during any year.

See the next section for an overview of the new CDHP Options 1 and 2.

Under CDHP Option 1 and 2, you pay 100% of non-preventive services and prescriptions (certain preventive medications are covered at 100%, and certain maintenance medications are not subject to the deductible, but coinsurance applies) until you reach the deductible, at which point the plan starts sharing the cost of your care and your coinsurance applies.

If you have high medical expenses during the year and reach your in-network out-of-pocket maximum, the plan pays 100% of your eligible in-network health care expenses for the rest of the year.*

The CDHP design allows you to enroll in a Health Savings Account (HSA), which is a tax-advantaged account that can be used to pay for current or future eligible health care expenses. As a COBRA participant, you will not be enrolled in an HSA through Liberty Mutual Insurance. However, you may choose to open an individual HSA with a banking institution of your choice and make your own contributions on an after-tax basis. You may wish to talk to your financial advisor to explore the best option for your needs. **Note:** If you were enrolled in the CDHP at the time you became a COBRA participant, you may already have an HSA.

If you enroll in the CDHP and elect more than individual coverage (you cover a spouse, domestic partner and/or eligible child), the following rules apply:

**Deductible:** The full family deductible must be met before Liberty Mutual shares in the cost of care for you and your covered dependents.

**Out-of-Pocket Maximum:** Once your family’s combined covered expenses reach the in-network out-of-pocket maximum, the plan pays 100% of the in-network benefits for your entire family for the rest of the year.*

*If you have family coverage and you or a family member reach $7,350 in out-of-pocket costs during the calendar year (the IRS maximum), the plan pays 100% coverage for that individual for the rest of the year. All other family members will continue to pay coinsurance until the full family out-of-pocket maximum is met.*
Preventive Care Coverage under CDHP Option 1 and 2

Under CDHP Option 1 and 2, in-network preventive care and certain preventive drugs (e.g., generic contraceptives) are covered at 100% right away – before you meet your deductible. For certain preventive maintenance drugs (e.g., drugs to manage high blood pressure or cholesterol), you do not need to meet your deductible, but coinsurance applies. Covered in-network preventive care* services include:

- Adult physical exams
- Well-child exams
- Age- and gender-appropriate preventive services, including Pap tests, colonoscopies and mammograms
- Immunizations
- Prenatal visits and screenings

*Check with your physician or with UnitedHealthcare to determine what tests associated with your annual physical are considered preventive
Choosing between CDHP Option 1 and 2 is more of a financial decision than a health care decision. The differences between the two options are their monthly premiums, coinsurance levels and out-of-pocket maximums. Take a look at a comparison between the two options.

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<tr>
<th></th>
<th>2018 CDHP Option 1</th>
<th>2018 CDHP Option 2</th>
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<tbody>
<tr>
<td><strong>Annual Deductible</strong></td>
<td>Includes medical and prescription drug costs</td>
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<td></td>
<td>In-network: $1,500 individual/$3,000 family*</td>
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<td></td>
<td>Out-of-network: $3,000 individual/$6,000 family*</td>
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<td>* Each family member’s medical and prescription drug costs count toward the</td>
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<td>family deductible; the individual deductible does not apply to family coverage.</td>
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<td><strong>Premium</strong></td>
<td>Higher monthly premium</td>
<td>Lower monthly premium</td>
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<td><strong>Coinsurance</strong></td>
<td>When you have met the deductible you pay lower coinsurance levels.</td>
<td>When you have met the deductible you pay higher coinsurance levels.</td>
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<td>In-network: 15%</td>
<td>In-network: 25%</td>
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<td></td>
<td>Out-of-network: 50%</td>
<td>Out-of-network: 50%</td>
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<tr>
<td><strong>Out-of-Pocket Maximum</strong></td>
<td>Includes medical and prescription drug costs</td>
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<td></td>
<td>You pay less out-of-pocket when you receive care.</td>
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<td>Once you meet the maximum, the plan pays 100% for the rest of the calendar year.</td>
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<td>In-network: individual $4,000/ family $8,000*</td>
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<td>Out-of-network: individual $8,000/ family $16,000*</td>
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<td>*Each family member’s medical and prescription drug costs count toward the family</td>
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<td>out-of-pocket maximum — the individual out-of-pocket maximum does not apply to</td>
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<td>family coverage.</td>
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<td><strong>Important Note:</strong> If you have family coverage and you or a family member reaches</td>
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<td>$7,350 in out-of-pocket costs during the calendar year (the IRS maximum), the</td>
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<td>plan pays 100% coverage for that individual for the rest of the year. All other</td>
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<td>family members will continue to pay coinsurance until the full family out-of-pocket</td>
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<td>maximum is met.</td>
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<td><strong>Prescription Drugs</strong></td>
<td>You pay (30-day supply):</td>
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<td>Generic drugs: 30% per script; $60 maximum</td>
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<td>Preferred brand drugs: 30% per script; $70 maximum</td>
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<td>Non-preferred brand drugs: 50% per script; $100 maximum</td>
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This is a summary of coverage under these plan options. For more detailed information on benefits, limitations and exclusions, please refer to the Your Total Rewards website (www.yourtotalrewards.com/libertymutual) for the Summary of Benefits and Coverage.
Did You Know? Virtual Medical and Behavioral Health Visits Are Available
For non-emergencies, you can see and talk to a doctor from your mobile device or computer without an office appointment. To schedule a virtual visit, log on to www.myuhc.com or use UnitedHealthcare’s Health4Me app.

How do I find a UnitedHealthcare network provider?
Visit myuhc.com or call UnitedHealthcare at 1-844-LIB-MUT4 (1-844-542-6884) to find a doctor. You can also call 24-7 to speak with a registered nurse, free as part of your Liberty Mutual health benefits. Get the Health4Me mobile app for help on the go!

Prescription Drug Program
Your coverage for prescriptions is provided through CVS/caremark.

Some of the features of the prescription drug program include:

- Pay the lower mail-order price when you fill your 90-day maintenance prescriptions at a CVS retail pharmacy.
- Receive a 20% discount on CVS brand health-related items at CVS pharmacies.
- **New for 2018** — When you visit a CVS MinuteClinic®, if available in your area, for urgent care (e.g., treatment for a sore throat or getting a routine vaccination) or wellness services (e.g., diabetes education or counseling), you will pay lower out-of-pocket costs.

**Changes for 2018:**

- **Formulary changes**: There will be some changes to the prescription drug formulary (the list of covered medications), beginning Jan. 1, 2018. If you are currently taking a medication that is affected by the formulary changes, CVS/caremark will send you personalized communications about the change later this year.
Important Information

- If you enroll for Liberty Mutual Health Plan coverage for 2018, you should expect to receive a new Health Plan ID card from UnitedHealthcare before Jan. 1, 2018. You will not receive a new CVS ID card unless you add a new dependent to Health Plan coverage for 2018.
- Key contact information:
  - UnitedHealthcare:
    Call 1-844-LIB-MUT4 (1-844-542-6884), Monday – Friday, 8:00 a.m. – 8:00 p.m. (all time zones).
    Log on to www.myuhc.com
  - CVS/caremark:
    Call 1-888-562-3784, any day, anytime.
    Log on to www.caremark.com

Dependent Eligibility

Only dependents who meet the eligibility requirements may be enrolled in Liberty Mutual benefit plans.

Eligible dependents include:

- Your legally married spouse of the same or opposite sex
- Your domestic partner
- Your dependent children

If you have an adult child younger than age 26, he or she is eligible to enroll in the Liberty Mutual health, dental and/or vision care plans whether or not access to his or her own employer-based coverage is available. Note: Coverage for an adult child reaching age 26 will continue through the last day of the month in which his or her birthday occurs.

Your child is eligible for coverage if he or she meets the plan’s criteria for dependent child, as detailed in each plan’s Summary Plan Description available within the Your Total Rewards website. In summary,

- Your biological child (this does not include a child for whom your parental rights have been legally terminated)
- Your legally adopted child (or child who has been placed for adoption)
- Your stepchild, including children of a same-sex spouse
- Your eligible foster child
- A child for whom a court order of custody or legal guardianship has been obtained

If a child does not meet the above criteria, he or she is not eligible for coverage under the Liberty Mutual Plan.
As you will see on the Your Total Rewards website (www.yourtotalrewards.com/libertymutual), the cost of health coverage will increase in some cases for 2018. The costs for dental and vision coverage, however, will remain the same for 2018.

Questions?

For questions on your 2018 benefit options, please call Benefits Express™ at 1-800-758-4460. Representatives are available Monday – Friday, 9:00 a.m. – 5:00 p.m. ET.

This document provides an overview of changes to the benefits program offered by Liberty Mutual Insurance and it should not be regarded as an indicator of an employment contract between you and Liberty Mutual. Complete information about COBRA continuation coverage in the Health Plan, Dental Plan and Vision Care Plan is included in the legal documents for each Plan. As always, if there are any discrepancies between this document and the legal documents, the legal documents will govern. The Company reserves the right to change or terminate any plan, the terms of any plan or cost-sharing arrangement at any time.