



NEWS RELEASE

FOR IMMEDIATE RELEASE

Media Contact:

Jeanne Reynolds
(803) 213-6274
jdreynolds@coloniallife.com

Colonial Supplemental Insurance is the marketing brand of Colonial Life & Accident Insurance Company. Colonial is a market leader in providing voluntary insurance to employees and their families through the workplace, along with personal benefits communication, enrollment capabilities and a commitment to service. Colonial Supplemental Insurance products are underwritten by Colonial Life & Accident Insurance Company and include a broad portfolio of insurance coverages, such as disability, accident, life, supplemental accident and health, and limited benefit plans. Similar products, if approved, are underwritten in New York by a Colonial affiliate, The Paul Revere Life Insurance Company.

Colonial is based in Columbia, S.C. and has been named one of the top four best large companies to work for in South Carolina. A subsidiary of Unum Group, Colonial is based in Columbia, S.C. and operates in 49 states, the District of Columbia and Puerto Rico. "Colonial Supplemental Insurance," "for what happens next" and the logo, separately and in combination, are registered service marks of Colonial Life & Accident Insurance Company. All rights reserved.

1200 Colonial Life Boulevard, Columbia,
South Carolina 29210 (803) 798-7000
www.coloniallife.com

New Colonial Health Advantage_{SM} Product Offers New Solution For Uninsured Workers

Group limited benefit plan provides health coverage for employees who can't get major medical insurance at work

COLUMBIA, S.C. (Oct. 18, 2007) — Employees who don't have access to major medical insurance through their workplace now have a new option for basic health care coverage: Colonial Health Advantage_{SM}, a new limited benefit hospital confinement indemnity plan offered by Colonial Supplemental Insurance.

Colonial Health Advantage_{SM} is a group insurance product to help pay many routine, noncatastrophic health care expenses. It is not major medical coverage and is not a replacement for major medical coverage. It is designed to pay for a limited set of benefits with a fixed benefit amount. Coverage is available for:

- doctor's office visits
- outpatient diagnostic and lab tests
- inpatient hospital stays
- surgery
- prescription drugs

"Colonial Health Advantage_{SM} can be an important health care coverage solution for employees who do not have access to coverage, either because their employer doesn't offer a plan or the employees don't qualify for it," says Tom Gilligan, Colonial's senior vice president of marketing and branding.

The need for new solutions for employers and their employees is growing, Gilligan says. The most recent U.S. Census Bureau numbers show 47 million Americans didn't have health insurance last year.¹ Yet most of the uninsured — more than two thirds — have at least one full-time worker in the family.² Being able to offer affordable health care coverage helps employers attract and retain high-quality employees, but many smaller employers can't afford it. Barely half of U.S. small businesses with fewer than 100 employees offer a group life or health benefit to employees.³ Many larger businesses also have significant numbers of regular workers who aren't eligible for the company's

MORE...

health insurance coverage.

“Health care is unlike most other consumer industries in that it typically doesn’t offer a range of models at different prices,” Gilligan says, “yet employee benefits is an area where one-size-fits-all doesn’t work well. Colonial Health Advantage_{SM} is a way of providing more choices to consumers.”

Colonial Health Advantage_{SM} is available in eight plans with different combinations of coverage and levels of benefits, so employers can choose the plan that meets their workers’ needs. Employers also can choose to offer a critical illness benefit as part of their Colonial Health Advantage_{SM} plan or can package the plan with other supplemental insurance products, such as cancer or disability, to provide broader coverage.

In addition, employers can take advantage of Colonial’s customizable benefits communication and enrollment services for this product, including individual meetings with each employee, at no additional cost. “A strong benefits communication program helps ensure greater participation in the plan and more satisfied employees because they understand exactly what they’re buying, and what is and isn’t covered,” Gilligan says.

Colonial is partnering with several top national experts to implement the new Colonial Health Advantage_{SM} plan to its customers:

- **NPPNTM** — One of the fastest-growing preferred provider networks in the country with more than 550,000 doctors, 4,000 acute care facilities and 90,000 ancillary care providers in 50 states, NPPN is serving as the plan’s preferred provider organization.
- **Fiserv Health_{SM}** — A nationally recognized benefits administration expert is serving as benefits administrator, handling claims (other than pharmacy) and customer service related to claims.
- **Express Scripts®** — One of the largest pharmacy benefit managers in America serving more than 50 million patients is providing Colonial’s customers with access to an extensive pharmacy network and superior claims administration.

The Colonial Health Advantage_{SM} plan is a group limited benefit hospital confinement indemnity and accidental death and dismemberment plan. It is not designed to replace a major medical, other comprehensive and/or catastrophic plan. This is limited coverage that may not provide a reimbursement for all medical expenses a certificate holder may incur. In Georgia and Texas, this product is a hospital confinement indemnity plan. Certificates have exclusions and limitations that may affect benefits payable. Benefits vary by state and may not be available in all states.

Statistics:

1 U.S. Census Bureau, August 2007

2 The Kaiser Commission, January 2006

3 “Growth Potential of Small Business Markets,” LIMRA 2006

###