

EMPLOYER DISCLOSURE STATEMENT

Employer Name: McKinney City of Proposed Effective Date: 01/01/2017

The Employer, no earlier than 15 days prior to the proposed effective date and no later than 15 days past the proposed effective date must complete this form, the Employer Disclosure Statement. The completed form must be returned to Arbor Benefit Group, L.P. on behalf of Fidelity Security Life Insurance Company (referred herein as "Company") within 5 days of completion by the Employer. If the original signed Employer Disclosure Statement is not completed and returned to the Company within 30 days after the proposed effective date, coverage will automatically be rescinded. The Company will be obligated to respond in writing to the Producer no more than 20 days following the receipt of the original Employer Disclosure Statement and receipt of required reports through the proposed effective date. Disclosure requirements of potential known claimants will remain open until the completed, original Employer Disclosure Statement and required reports through the proposed effective date are received and approved by the Company. Continued negotiation of the offered terms up to or past the effective date will cause the disclosure requirements to remain open until the date written acceptance is received. All information provided will be kept in the strictest of confidence by the Company.

In signing the Employer Disclosure Statement, the Employer is assuming complete and final responsibility that all known potential large claimants have been disclosed. This Employer responsibility cannot be transferred. If the Employer fails to disclose an individual known to meet any of the criteria described in this Employer Disclosure Statement, then the Company will have no liability for claims relating to the individual who was not disclosed. To assist in identifying individuals who satisfy any of the criteria noted in this document, the employer assumes responsibility for obtaining and analyzing without limitation pending claim reports, denied claim reports, pre certification, large case management and other utilization review reports, subrogation reports, employee attendance reports, sick leave and disability reports.

In order for the Company to allow for coverage of claims relating to a non-disclosed individual, it will be necessary to re-underwrite the contract terms. In re-underwriting the Excess Loss contract, the Company may apply a higher Specific Deductible to the Non-Disclosed Claimant, and/or revise the specific rates for the Employer.

Should the Employer require additional space to complete this form, please use the reverse side of this form or attach a separate sheet of paper. If a field does not apply please initial the appropriate box indicating none apply.

- List those employees who are currently not actively-at-work due to disability, sick time, Family Medical Leave or scheduled Leave of Absence and/or will not be actively-at work on the coverage date or in the case of dependents, those who are unable to perform the normal function of a person of like sex and age. Any individual on temporary, short-term or long-term disability should be included. Any individual covered by the prior fully insured contract for extended benefits should be included. as well as those employees that are within their COBRA election period or have elected COBRA.

If none, please initial this box.

| Employee Name | Claimant Name | Claimant DOB | Date Last Worked | Diagnosis | Current Status | Claims Paid | Claims Pending | Claims Denied |
|---------------|---------------|--------------|------------------|-----------|----------------|-------------|----------------|---------------|
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2. List all covered individuals who are currently hospital confined, hospital confined on multiple occasions during the preceding 12 months or confined for more than three consecutive days, and/or have requested certification for a hospital, SNF, rehab or other medical facility admission 90 days prior to the proposed effective date, including active employees, COBRA and COBRA eligible individuals, covered retirees, and all their dependents who are eligible for coverage.

If none, please initial this box.

| Employee Name | Claimant Name | Claimant DOB | Date Last Worked | Diagnosis | Current Status | Claims Paid | Claims Pending | Claims Denied |
|-----------------|---------------|--------------|------------------|-----------|----------------|-------------|----------------|---------------|
| See Attached | | | | | | | | |
| Large Claim | | | | | | | | |
| Review Analysis | | | | | | | | |

3. Please review Trigger Diagnosis listing on pages 2 thru 6 of the Employer Disclosure Statement. This is an illustrative listing and not intended to be complete. The Trigger Diagnosis listing is intended to assist the named insured in their disclosure review. List all individuals with a history or current diagnosis of any of the conditions listed under Trigger Diagnosis, including active employees, COBRA and COBRA eligible individuals, FMLA, covered retirees, and all their dependents who are eligible for coverage.

If none, please initial this box.

| Employee Name | Claimant Name | Claimant DOB | Date Last Worked | Diagnosis | Current Status | Claims Paid | Claims Pending | Claims Denied |
|-----------------|---------------|--------------|------------------|-----------|----------------|-------------|----------------|---------------|
| See Attached | | | | | | | | |
| Large Claim | | | | | | | | |
| Review Analysis | | | | | | | | |

4. Other than those individuals listed above, please list any other covered person for which medical expenses have been incurred, pending, denied or paid and are expected to reach or exceed the lesser of \$20,000 or 50% of the current specific deductible, including active employees, COBRA FMLA, and COBRA eligible individuals, covered retirees, individuals not actively at work and all their dependents who are eligible for coverage. Please list any individual currently eligible for the Plan who has met 50% of their Benefit Plan Maximum since their initial effective date.

If none, please initial this box.

| Employee Name | Claimant Name | Claimant DOB | Date Last Worked | Diagnosis | Current Status | Claims Paid | Claims Pending | Claims Denied |
|-----------------|---------------|--------------|------------------|-----------|----------------|-------------|----------------|---------------|
| See Attached | | | | | | | | |
| Large Claim | | | | | | | | |
| Review Analysis | | | | | | | | |

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TRIGGER DIAGNOSIS – Any covered individual that has a history or current diagnosis of one or more of the following diagnosis should be listed in Section 4 of the Employer Disclosure Statement.

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| 010 - 016.3 | Tuberculosis |
| 020 - 020.9 | Zoonotic bacterial diseases |
| 038 - 042 | Other bacterial diseases / HIV |
| 045 - 047 | Poliomyelitis and other non-arthropod-borne viral diseases of central nervous system |
| 049 - 079.6 | Other non-arthropod-borne viral diseases of central nervous system / other diseases due to viruses and chlamydiae |
| 090 - 095 | Syphilis and other venereal diseases |
| 112.4 | Mycoses |
| 130 - 130.9 | Other infectious and parasitic diseases |
| 135 | Sarcoidosis |
| 137 - 165.9 | Late effects of infectious and parasitic diseases / Malignant neoplasm of respiratory and intrathoracic organs |
| 170 - 172.9 | Malignant neoplasm of bone, connective tissue, skin, and breast |
| 174 - 176.9 | Malignant neoplasm of bone, connective tissue, skin, and breast |
| 179 - 209.30 | Malignant neoplasm of genitourinary organs / Malignant neoplasm of lymphatic and hematopoietic tissue |
| 230 - 239.9 | Carcinoma in SITU / Neoplasms of unspecified nature |
| 249.3 - 250.93 | Disorders of thyroid gland / Diseases of other endocrine glands |
| 252 - 253.8 | Diseases of other endocrine glands |
| 255.2 | Diseases of other endocrine glands |
| 259.2 - 359.8 | Diseases of other endocrine glands |
| 261 | Nutritional deficiencies |
| 270 | Other metabolic and immunity disorders |
| 271.0 | Glycogenosis (Pompe Disease) |
| 272.7 | Lipidoses |
| 273 - 273.9 | Other metabolic and immunity disorders |
| 275 - 279.9 | Other metabolic and immunity disorders |
| 281 - 289.84 | Diseases of the blood and blood-forming organs |
| 291 - 291.2 | Psychoses |
| 304 - 307.51 | Neurotic disorders, personality disorders and other nonpsychotic mental disorders |
| 320 - 326 | Inflammatory diseases of the central nervous system |
| 330 - 335.20 | Hereditary and degenerative diseases of the central |

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| 356 - 358.1 | Disorders of the peripheral nervous system |
| 376 - 376.03 | disorders of the eye and adnexa |
| 389 - 389.2 | Diseases of the ear and mastoid process |
| 396 - 396.9 | Chronic rheumatic heart disease |
| 401.1 - 404.03 | Hypertensive disease |
| 410 - 414.19 | Ischemic heart disease |
| 415 - 417.1 | Diseases of pulmonary circulation |
| 420 - 438.53 | Other forms of heart disease / cerebrovascular disease |
| 440 - 446.6 | Diseased of arteries, arterioles, and capillaries |
| 451.0 - 457.0 | Diseases of veins and lymphatics, and other diseases of circulatory system |
| 480 - 486 | Pneumonia and influenza |
| 491 - 496 | Chronic obstructive pulmonary disease and allied conditions |
| 500 - 508.1 | Pneumoconioses and other lung disease due to external agents |
| 511.81 - 519.09 | Other diseases of respiratory system |
| 526.3 - 529.0 | Diseases of oral cavity, salivary glands, and jaws |
| 530 - 536.49 | Diseases of esophagus, stomach and duodenum |
| 555 - 558.42 | Noninfectious enteritis and colitis |
| 560 - 569.9 | other diseases of intestines and peritoneum |
| 570 - 579.9 | Other diseases of digestive system |
| 580 - 588.9 | Nephritis, Nephrotic syndrome, and nephrosis |
| 590 - 592.9 | Other diseases of urinary system |
| 607.84 - 611.83 | Disorders of breast |
| 612 - 616.4 | Inflammatory disease of female pelvic organs |
| 622.5 - 629.81 | Other disorders of female genital tract |
| 632 - 633.91 | Ectopic and molar pregnancy |
| 634.3 - 638 | Other pregnancy with abortive outcome |
| 640 - 649.73 | Complications mainly related to pregnancy |
| 651 - 659.9 | Normal delivery and tohr indications for care in pregnancy labor and delivery |
| 884 - 887.7 | open wound of upper limb |

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| | nervous system |
| 340 - 349.81 | Other disorders of the central nervous system |
| 660 - 669 | Complications occurring mainly in the course of labor and delivery |
| 673 - 679.14 | Complications of the puerperium |
| 681 - 682.9 | Infections of skin and subcutaneous tissue |
| 695.3 - 695.5 | Lupus erythematosus |
| 707 - 707.9 | Other diseases of skin and subcutaneous tissue |
| 710 - 715.9 | Arthropathies and related disorders |
| 721 - 724.4 | Dorsopathies |
| 728.2 - 729.30 | Rheumatism, Excluding the back |
| 730 - 737.39 | Osteopathies, chondropathies, and acquired musculoskeletal deformities |
| 740 - 759.9 | Congenital anomalies |
| 760 - 763.84 | Maternal causes of perinatal morbidity and mortality |
| 764 - 779.5 | Other conditions originating in the perinatal period |
| 780 - 789.5 | Symptoms |
| 790.7 - 795.89 | Nonspecific abnormal findings |
| 799 - 799.1 | Ill-defined and unknown causes of morbidity and mortality |
| 800 - 804.9 | fracture of skull |
| 805 - 806.9 | fracture of neck and trunk |
| 828 - 828.1 | fracture of lower limb |
| 836 - 836.2 | Dislocation |
| 852 - 854.1 | Intracranial injury, excluding those with skull fracture |
| 861 - 869.1 | internal injury of thorax, abdomen and pelvis |

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|----------------|--|
| 895 - 897.7 | open wound of lower limb |
| 925 - 929 | crushing injury |
| 949 - 949.5 | Burns |
| 952 - 953 | injury to nerves and spinal cord |
| 965 - 965.09 | Poisoning by drugs, medicinal and biological substances |
| 980 - 982 | Toxic effects of substances chiefly nonmedicinal as to source |
| 991 | other and unspecified effects of external causes |
| 996 - 999.8 | complications of surgical and medical care, not elsewhere classified |
| V07.3 - V09.91 | Persons with need for isolation, other potential health hazards and prophylactic measures |
| V10 - V15.3 | Persons with potential health hazards related to personal and family history |
| V21.3 - V29 | Persons encountering health services in circumstances related to reproduction and development |
| V31 - V37 | Liveborn infants according to type of birth |
| V42 - V49.83 | Persons with a condition influencing their health status |
| V50.4 - V59.6 | Persons encountering health services for specific procedures and aftercare |
| V66 - V67.2 | Persons encountering health services in other circumstances |
| V72.8 - V76.0 | Persons without reported diagnosis encountered during examination and investigation of individuals and populations |
| V83.0 - V84.04 | Genetics |
| V86 - V89.03 | estrogen receptor status |
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We agree the proposed coverage is subject to the terms and provisions of the Company's contract. We have listed above all individuals identified as requested, as of the signature date. The total of claims paid are noted for each individual along with their current status. After diligent review, we represent that the above information is complete and accurate.

We acknowledge that the Company, retains the right to re-underwrite any individual whose actual claims (paid or pending) are greater than the amounts reported (above or previously) to the Company by more than \$10,000 as of the signature date below or whose information is incorrect or incomplete. We further acknowledge, understand and agree that the Company will rely on this information in evaluating and determining the acceptability of the risk and that acceptance of this form cannot be construed in any manner as to bind coverage. Any attempt to knowingly provide inaccurate information may result in the termination of the Excess Loss Policy retroactively to the policy effective date. In addition, we understand that no coverage shall be provided for claims relating to the above listed persons unless specifically agreed to in writing by the Company.

Employer: _____ Date Signed by Employer: _____
(Signature and Title)

Employer: _____
(Print Name)