Summary of 2017 Healthcare Benefits

Medical

For 2017 we’ll be offering four plan options. You’ll have access to two traditional options (the Blue Cross Blue Shield National Exclusive Provider Organization (EPO) option and the UnitedHealthcare Choice Plus Preferred Provider Organization (PPO) option), and we’ll be introducing two new Consumer-Directed Health Plan options that allow you to contribute to a Health Savings Account (HSA). With an HSA, you contribute pre-tax money to your account, and then use the money in your account to pay for qualified healthcare expenses. You can also use your HSA to save for healthcare expenses after retirement. Caterpillar will even contribute money to your HSA.

UnitedHealthcare Choice Plus PPO option highlights:
- With a PPO, you must meet your deductible before the plan pays co-insurance. But, if you enroll in +1 or more coverage, and someone in your family meets the individual deductible, the plan will start paying co-insurance for that person, even if you haven’t met the entire family deductible yet.
- After you meet the deductible, you pay 20% of your covered healthcare costs at in-network providers (the plan pays 80%). If you use an out-of-network provider, you’ll pay 50%.
- Prescription drug co-pays and co-insurance are not subject to the deductible (the Caterpillar prescription drug plan co-pay/co-insurance amounts apply immediately).

Blue Cross Blue Shield National EPO option highlights:
- The BCBS National EPO option is similar to a PPO with regard to deductibles, but it provides no coverage if you use an out-of-network provider.
- Unlike our other plan options, it has co-pays for office visits, which are not subject to the deductible.
- Prescription drug co-pays and co-insurance are also not subject to the deductible.

What’s a Consumer-Directed Health Plan (CDHP)?
- A CDHP typically includes a high deductible health plan. With a high deductible health plan, as with car insurance, you pay a lower monthly premium in exchange for a higher deductible.
- With a high deductible health plan, if you enroll in any coverage tier other than employee-only coverage (e.g., employee + spouse/child(ren) or family coverage) you must meet the entire family deductible (not the individual deductible) before the plan pays benefits.
- As with our other plan options, over 90 preventive services are covered 100% by the plan with no cost sharing (annual physicals, wellness exams, recommended screenings such as mammograms, vaccinations, etc.).
- Unlike other plan options, prescription drug costs count toward your deductible, and you must pay the full cost of the prescription until you meet your deductible. EXCEPTIONS: You do NOT have to pay the full cost of medications considered “preventive” (for example: certain blood pressure meds, diabetes meds, etc.). These are subject to the plan’s co-pay/co-insurance provisions. The full list of preventive medications will be available prior to annual enrollment.

Why would you want to enroll in a CDHP?
In many cases, you can save money with a CDHP:
- Your monthly premiums are lower than traditional health plan premiums.
- If you don’t get sick often and don’t typically have high medical claims, you’re not spending money on benefits you’re not using.
- What makes a CDHP special is that you can partner it with a Health Savings Account (HSA).

What’s a Health Savings Account (HSA)?
- HSAs allow you to contribute pre-tax money into the account to pay for qualified healthcare expenses.
- The money in the HSA is yours forever. There’s no “use it or lose it” rule, and if you switch healthcare plans, leave the company or retire, you keep your account.
- A company can also deposit money into employees’ accounts (“seed money”) to help build their accounts.
- You can withdraw the money tax-free for qualified healthcare expenses and/or invest it and grow earnings tax-free to save for future healthcare expenses (such as healthcare expenses after retirement).
Dental
Dental benefits are included in your healthcare plan option and premium, and they are the same for each plan option:
- $50 individual / $100 family annual deductible (except for preventive care)
- $1,500 annual maximum benefit per covered person 18 and over
- $1,500 orthodontia lifetime maximum (dependents age 21 and under)
- Sealants covered every three years under age 14
- Common benefits and coverage level:
  - Preventive (no deductible) 100%
  - Fillings, Basic Dental 80%
  - Crowns, Bridges, Dentures 50%
  - Orthodontia 50%

Vision
Vision benefits will include coverage for frames, annual coverage for lenses and a $20 office visit co-pay. This benefit will be bundled with your medical and dental benefits in your monthly premium. More details will be provided later this summer.

2017 plan options & premiums

<table>
<thead>
<tr>
<th></th>
<th>BCBS National (EPO)</th>
<th>UHC Choice Plus (PPO)</th>
<th>UHC Consumer Choice (CDHP)</th>
<th>UHC Consumer Max (CDHP)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual Deductible</td>
<td>$500</td>
<td>$800</td>
<td>$1,500</td>
<td>$3,000</td>
</tr>
<tr>
<td>Family Deductible</td>
<td>$1,000</td>
<td>$1,600</td>
<td>$3,000</td>
<td>$6,000</td>
</tr>
<tr>
<td>Individual MOOP</td>
<td>$2,000</td>
<td>$3,000</td>
<td>$3,000</td>
<td>$5,000</td>
</tr>
<tr>
<td>Family MOOP</td>
<td>$4,000</td>
<td>$6,000</td>
<td>$6,000</td>
<td>$10,000</td>
</tr>
<tr>
<td>Medical Co-insurance (in-network / out-of-network)</td>
<td>20% / 100%</td>
<td>20% / 50%</td>
<td>20% / 50%</td>
<td>20% / 50%</td>
</tr>
<tr>
<td>Office visit – primary care</td>
<td>$20 co-pay</td>
<td>Co-insurance after deductible</td>
<td>Co-insurance after deductible</td>
<td>Co-insurance after deductible</td>
</tr>
<tr>
<td>Office visit – specialist</td>
<td>$40 co-pay</td>
<td>Co-insurance after deductible</td>
<td>Co-insurance after deductible</td>
<td>Co-insurance after deductible</td>
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<tr>
<td>Employee-Only Premium</td>
<td>$188</td>
<td>$98</td>
<td>$60</td>
<td>$30</td>
</tr>
<tr>
<td>Employee + Spouse Premium</td>
<td>$470</td>
<td>$245</td>
<td>$150</td>
<td>$75</td>
</tr>
<tr>
<td>Employee + Child(ren) Premium</td>
<td>$375</td>
<td>$195</td>
<td>$120</td>
<td>$60</td>
</tr>
<tr>
<td>Family Premium</td>
<td>$657</td>
<td>$342</td>
<td>$210</td>
<td>$105</td>
</tr>
<tr>
<td>HSA Seed from Caterpillar</td>
<td>--</td>
<td>--</td>
<td>$250 / $500</td>
<td>$500 / $1,000</td>
</tr>
</tbody>
</table>

Part-time employee monthly premiums shown. (Rounded to the next dollar for display purposes)

MOOP = Maximum Out-of-Pocket. Premiums include dental and vision.

Notice the annual HSA seed amounts on the chart:
The 1st number is the amount Caterpillar will deposit in your HSA if you enroll in employee-only coverage.
The 2nd number is the amount Caterpillar will deposit in your HSA if you enroll in any of the other coverage tiers (e.g. employee + spouse or child(ren) or family coverage).

Spousal surcharge
If you enroll your non-Caterpillar spouse or eligible domestic partner in the Caterpillar healthcare plan, you will need to verify whether you are subject to the spousal surcharge. The spousal surcharge requires employees whose spouses or eligible domestic partners have access to other group healthcare coverage to pay an additional amount for spousal coverage under the Caterpillar healthcare plan.

(Note that you have to open an HSA through Caterpillar’s designated HSA vendor to receive company contributions to your HSA.)
If a spouse of an active employee has access to group healthcare coverage, but declines that coverage and enrolls under the Caterpillar healthcare plan as the sole and primary coverage, the spousal surcharge applies. If the spouse doesn't have access to other group health coverage, the spousal surcharge does **not** apply. Spousal surcharge also does not apply for Medicare or COBRA coverage. You'll be asked to confirm whether your spouse has other coverage available during annual enrollment. If your spouse is subject to the spousal surcharge, you’ll be assessed $145 per month in addition to your premium.

**Flexible Spending Accounts**

You’ll have access to Flexible Spending Accounts (FSA) in 2017. Caterpillar will offer three types: Health Care FSA, Limited Purpose Health Care FSA and Dependent Care FSA.

For the Health Care FSA, you can set aside up to $2,550 a year for medical, prescription, vision, hearing and dental expenses for you and your eligible dependents. You can also use it to pay for out-of-pocket expenses for deductibles, co-insurance and co-pays. You can carry over up to $500 for the following plan year (as long as you re-enroll in the FSA), but any funds over $500 left in your FSA after Dec. 31, after all claims for the year have been processed, are forfeited.

If you enroll in one of the Consumer-Directed Health Plan options, IRS rules don’t allow you to have a Health Care FSA and also be eligible to make or receive HSA contributions. Instead, to maintain eligibility to contribute to an HSA, you can enroll in a Limited Purpose Health Care FSA. It works the same as the regular Health Care FSA, but you can use the funds only for eligible vision and dental expenses.

For the Dependent Care FSA, you can set aside up to $5,000 for childcare expenses for eligible dependents while you’re working. Dependent Care FSA eligible dependents include children under age 13, and a dependent of any age who is physically or mentally incapable of caring for himself or herself and who lives in the same place as you for more than half the year. However, there’s no carryover for this FSA. After Dec. 31, any funds remaining in the Dependent Care FSA, after all claims are processed, are forfeited.

**Prescription drugs**

The pharmacy benefit manager for all the Caterpillar healthcare plan options is OptumRx. Under the Caterpillar prescription drug plan design, you'll pay co-pays for some medications and a co-insurance percentage for other medications. Caterpillar also has network pharmacies and out-of-network pharmacies – you’ll pay less at network pharmacies: Walmart, Kroger, Walgreens (and affiliates) and CPRxN.

<table>
<thead>
<tr>
<th>Drug Tier</th>
<th>Network*</th>
<th>Out-of-Network (All other pharmacies)</th>
<th>Walgreens Mail Service (90-day supply)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tier 0</td>
<td>$0</td>
<td>$20</td>
<td>$0</td>
</tr>
<tr>
<td>Tier 1</td>
<td>$0 Walmart/Kroger $5 Walgreens/CPRxN</td>
<td>$20</td>
<td>$15</td>
</tr>
<tr>
<td>Tier 2</td>
<td>20% co-ins $25 min / $60 max</td>
<td>30% co-ins $50 min / $120 max</td>
<td>20% co-ins $75 min / $180 max</td>
</tr>
<tr>
<td>Tier 3</td>
<td>50% co-ins $75 min / $125 max</td>
<td>50% co-ins $150 min / $250 max</td>
<td>50% co-ins $225 min / $375 max</td>
</tr>
<tr>
<td>Tier 4 includes specialty**</td>
<td>50% co-ins $100 min / $200 max</td>
<td>50% co-ins $150 min / $250 max</td>
<td>Not offered</td>
</tr>
</tbody>
</table>

*CPRxN = Community Pharmacy Prescription Network

**Specialty medication network pharmacy is MagellanRx

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**Specialty medication network pharmacy is MagellanRx

Caterpillar has a co-pay for Tier 0 and Tier 1 prescription medications. Tiers 0 and 1 are made up of mostly generic medications. You won’t pay anything at all for these medications if you use Walmart or Kroger, or you will pay only $5 if you use Walgreens or a community pharmacy that’s in the network.
Prescriptions in Tiers 2, 3 and 4 are mostly brand medications. These tiers have a co-insurance amount with minimum and maximum payments, which means you’ll pay an amount that falls between the minimum and maximum payments. Maximum payments protect you from very high costs.

However, keep in mind that for the Consumer-Directed Health Plan Options (UHC Consumer Choice and UHC Consumer Max), no coverage is provided for non-preventive prescriptions until you’ve met your deductible. Medications classified as “preventive” will be subject to the plan’s co-insurance and copay provisions, whether or not you’ve met your deductible. The full list of preventive medications will be available later, prior to annual enrollment.

**New tools**

We understand this is a lot of information to take in. You don’t have to figure it all out right now. We’re going to have two new tools available this fall to help you.

**Enrollment decision-making tool** – This online module asks questions to help you decide which plan option is best for you:
- Uses everyday language and avoids insurance jargon
- If you’re unfamiliar with a concept, it can walk you through it until you understand
- You can repeat the module as many times as you want & change your answers to see how your results change

**Castlight transparency website** – A one-stop-shop for your healthcare info:
- Knows what plan options you’re enrolled in
- Search for healthcare providers in your network
- See healthcare service/procedure costs & quality ratings for providers and facilities
- See deductible balance, FSA balance, claims info in one place

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