

Health Tradition

**Health Tradition
Disclosure of Rating Factors
and Renewability Provisions
Applicable to Group Health Benefits for Eligible
Groups With 50 or Less Full-Time Employees**

Your premium will only be changed once in any 12-month period.

Renewal rates are based on several factors: (1) Manual rates, which are based on the overall experience of all insured groups. (Manual rates also include the specific demographic factors for each separate group and include such things as age and sex of employees, geographic location, and eligibility for other coverage such as Medicare or workers' compensation.) (2) Your actual claims experience, which could result in rate changes either greater or less than those for other policyholders.

Under current regulations affecting rate changes at renewal, your rates cannot change by more than 15 percent **plus** any amount due to either (a) change in the manual rate and (b) changes in the demographics of your particular group of employees. In any case, your rates will not be increased beyond the point where they are more than 30 percent higher than the midpoint rate for all groups with benefit levels and case characteristics similar to your group's.

Rate levels can also be held down by adopting or expanding cost containment techniques such as deductibles and copayment provisions, or for decreasing benefits for specific coverages. Health Tradition representatives are always available to discuss these options with you.

Your coverage will not be terminated at renewal because of the claims experience of your employees, or due to a specific medical condition of an individual in your group. Naturally, you have the right to terminate your policy at renewal with no penalty.

Health Tradition is interested in working with all group policyholders, as well as health care providers, to hold down the cost of medical insurance and stabilize rates to the maximum extent possible. In order to achieve that objective, we are always willing to not only discuss any benefit changes that might assist you in holding down your health insurance costs, but also to discuss any aspect of our pricing policy that has not been covered above.

I hereby certify that the above information was made available to the small group employer whose name appears below, and that this information was submitted prior to completing the application for insurance.

Date

Name of agent or account representative

I hereby acknowledge receipt of the information contained in this disclosure form, and certify that this was obtained prior to completion of the application for insurance.

Name of small group employer

Authorized signature

Title

Date