

MGA Heads Up for April 1, 2009 IM Product Change Communications

- Online Quoting and Submission (*EASE*) will be updated on February 21, 2009.
- IM Proposal Software will be available for download on the Assurant Health Sales Web site on Monday, February 23, 2009, as well as in Supply on Friday, February 27, 2009.
- On February 23, 2009, you will receive PDFs of the April 1, 2009 Product Change Communications.

Below is a summary of rate information, product enhancements and updates included in the Product Change Communications. Effective dates are April 1, 2009 and after unless otherwise indicated.

Two CoreMedSM Elite Prescription Drug Options Available

Offer your clients a choice of prescription drug benefits with CoreMed Elite! Now, for new business, there are two options for prescription drug coverage.

1. The new option simplifies benefits by **applying prescription drug charges to the plan deductible and coinsurance**. This means that covered prescription drugs will be **paid at 100%** once the plan deductible and coinsurance maximum amounts have been met. Your clients will see **savings as much as 18%** over the copay option plan, depending on deductible and coinsurance. For the most popular plan (\$5,000 deductible/50% coinsurance) average savings is **7-9%**. This coverage is automatically included with the plan.
2. Or, you can still offer the **prescription drug copay option**. Clients pay **only \$15 (no deductible or coinsurance) for a generic prescription**. For brand name drugs, they pay a \$25 copay plus 50% coinsurance after a \$500 deductible is met.

Note: The choice of prescription drug benefits is currently available with CoreMed Elite plans in: AK, AL, AR, AZ, CA, DC, IA, IL, MD, MI, MO, NC, NE, OH, PA, SC, TN, TX, VA, WI and WY.

New IM Policy Delivery Option and Policy Packets Online

Now there's a new option to have new individual medical policy packets mailed directly to clients.

Easy switch to client delivery

The General Agent can make the switch to client delivery by going to www.assuranthealthsales.com > Agent Preferences > IM Policy Delivery and selecting **Mail direct to customer**. Each General Agent can make the switch for his or her writing agents downline.

- Currently, we deliver policies to the MGA office. Policies will continue to be delivered to the MGA office unless the GA changes client delivery in Agent Preferences.
- Delivery preference is for **Individual Medical policies only**.
- Delivery preference remains until it is changed. GAs can change the selection at any time and as often as needed.
- Policy packets are generated at the end of each business day. If preference is changed to **Mail direct to customer** on a business day, policies printed that night and going forward will go to clients. If preference is changed on a weekend, policies that are generated the following Monday and going forward will be mailed to clients.

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New IM Policy Delivery Option and Policy Packets Online, cont'd

Agent copies

To make it easier for agents to switch to client delivery, also starting February 23, agent copies and the client's entire original policy packet can be viewed online. Go to the home page of the Assurant Health Sales Web site and click on the link to **View Customer Policy Packets**.

The Search tool finds any policy effective on or after February 21, 2009 using the policy number, or search by a range of dates. Original policy packets are available with this tool, and you can print copies of agent documents. Plan changes and addendums are not available.

Note: Since policies are generated at the end of each business day, policies issued on a weekend will first be available for viewing on the following Tuesday.

Underwriting Authorizations Required from Primary and Spouse

To ensure the proper health risk assessment for all our applicants, we now require separate authorizations from both the primary applicant and spouse when both are applying for coverage.

The online authorization screen will now show signature fields for both:

- The primary applicant and spouse should provide authorization
- If one applicant is unavailable, select **Not Present** for the absent person and authorization can be provided, verbally or in writing, after submission is completed

This requirement should not slow the underwriting process. If we don't have electronic or written authorization when we receive the application, we will call the applicant and ask for verbal authorization. Also, all of our Underwriting Authorization forms are available on Find a Form on the Assurant Health Sales Web site. Select the Underwriting Authorization appropriate to the state where the applicant(s) resides, obtain the signatures, then fax the form to 414-299-6020.

Improved Dental Preventive and Basic Benefits, Plus Lower Rates

Changes to the Dental Insurance program in several states bring better preventive/wellness and basic benefits that customers say they value most. You'll see these dental benefit changes in Georgia, Indiana, Louisiana, Missouri, Ohio, and Oklahoma.

Basic	\$75 Wellness Benefit	\$25 - \$200 per Basic Service	Year 1: We pay 50% Year 2+: We pay 100%
Plus	\$100 Wellness Benefit	\$50 - \$400 per Basic Service	Year 1: We pay 50% Year 2+: We pay 100%
		\$20 - \$1,000 per Major Service*	Year 1: We pay 50% Year 2+: We pay 100%

*Major service coverage described here is only available with Plus in LA, MO and OK. Major services are not included with the Plus plan in GA, IN or OH, or with the Basic plan in GA, IN, LA, MO, OH or OK.

Also, check out *New Business Rate Reductions and Network Updates by State* in this communication. You'll see new lower dental insurance rates, 18% - 33% lower, in the states listed above. Dental rates in Illinois and North Carolina have also been reduced, however the benefits have not changed in those states. A new Dental Insurance sales piece (Form 29998) describes all available Dental Insurance plan designs.

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Take Care ClinicSM

Take Care Clinic, a new retail health clinic at select Walgreens, is now available to Assurant Health customers. With over 325 Walgreens drugstores in 19 states, now it's more convenient than ever to receive high-quality, affordable health care. With three retail health clinic organizations, MinuteClinic[®], RediClinic[®], and now Take Care Clinic, Assurant Health gives insureds network access to approximately 800 clinics across the U.S. for non-emergency medical care at a low cost. For more information about Take Care Clinics at select Walgreens, visit www.TakeCareHealth.com or call 1-866-Take-Care (1-866-825-3227).

Product News

Preventive Benefits _____ **Maryland**
CoreMed Elite and MaxPlan Elite in Maryland now have **first-dollar benefits** for Preventive Medicine Services. The deductible is waived on covered preventive medicine services up to a maximum benefit of **\$750 for CoreMed Elite and \$1,000 for MaxPlan Elite**. Coinsurance and a three-month waiting period apply on both plans. After the maximum benefit is met, any additional preventive services are covered subject to both deductible and coinsurance.

Assurant Affordable Health Access, Two New State Approvals _____ **Indiana, Oklahoma**
Health Access Plans A and B/C are being introduced in Indiana and Oklahoma. The first available effective date for these plans is March 15, 2009.

Maternity Rider _____ **Illinois, Indiana, North Dakota, Utah**
The maternity rider is now available for RightStart Elite and SaveRight Elite plans with the following deductible options: **Illinois, North Dakota:** \$1,000, \$2,500, \$5,000, \$10,000; **Indiana:** \$5,000, \$10,000; **Utah:** \$2,500, \$5,000, \$10,000

One Decreasing Deductible _____ **North Dakota, Utah**
One Decreasing Deductible is now included with OneDeductible Elite Plans in North Dakota and Utah. One Decreasing Deductible rewards your clients with a **10% credit twice a year that reduces the amount they pay of their plan deductible**. One Decreasing Deductible is included on OneDeductible Elite 100% coinsurance plans with deductibles at or above \$2,850 individual / \$5,700 family. See the One Decreasing Deductible FAQ, Form 29869, (available on *Find a Form*) for complete details. Kits with One Decreasing Deductible materials are coming your way this week.

TelaDoc™ _____ **South Carolina, Tennessee**
MaxPlan Elite and CoreMed Elite without the office visit copay, and OneDeductible Elite new business now include TelaDoc membership, a service that offers physician access – **24 hours a day, 7 days a week, and 365 days a year** for adults and children as young as age 10. More information is available in the TelaDoc Agent FAQ J-60987 on *Find a Form*.

New Plan Options _____ **North Dakota**

- RightStart Elite and SaveRight Elite are now available in North Dakota
- The \$35 copay option is available with CoreMed Elite and MaxPlan Elite \$5,000 and \$10,000 deductibles
- The \$15,000 and \$25,000 deductible options are available for your cost-conscious clients on CoreMed Elite plans with 100% coinsurance
- The maternity rider is now available on RightStart Elite and SaveRight Elite plans (see above article)
- One Decreasing Deductible introduction in North Dakota (see above article)

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Product News, cont'd

New Plan Options _____Utah

- The \$15,000 and \$25,000 deductible options are available for your cost-conscious clients on CoreMed Elite plans with 100% coinsurance
- The maternity rider is now available on RightStart Elite and SaveRight Elite plans (see above article)
- One Decreasing Deductible introduction in Utah (see above article)

Change to Dental-Vision Discount Plan _____Illinois

Effective January 1, 2009, the Dental-Vision Discount Plan is no longer being sold under the Assurant Health name in Illinois. Instead, the plan is being sold under the name *People's Health Express*, the private label of the existing discount plan vendor, New Benefits. This is a change in label name only. There are no changes to the program or cost.

Out-of-Network Deductible and Coinsurance Changes _____27 States

The out-of-network (OON) benefits have been adjusted for CoreMed Elite, MaxPlan Elite, and OneDeductible Elite:

- **CoreMed Elite and MaxPlan Elite** - the total OON deductible is now two times the network deductible for individual deductibles between \$2,000 and \$15,000 in AK, AL, AR, AZ, CA, CO, DC, IA, IL, IN, MD, MI, MO, MS, ND, NE, OH, PA, SC, SD, TN, UT, VA and WY

Note: In DE, NM, and WV, this change impacts deductibles between \$1,500 and \$15,000.

- **OneDeductible Elite** - the total OON deductible is now two times the network deductible for all individual deductibles greater than \$2,000 and for all corresponding family deductibles in AK, AL, AR, AZ, CA, CO, DC, IA, IL, IN, MD, MI, MO, MS, ND, NE, OH, PA, SC, SD, TN, UT, VA and WY. In addition, the OON coinsurance has been changed to 50% for both the 80% and 100% network coinsurance plans in all the states listed.

Note: In DE, NM and WV, the total OON deductible is now two times the network deductible for all individual and family deductibles. In addition, the OON coinsurance has been changed to 50% for both the 80% and 100% network coinsurance plans in the states listed.

New Business Rate Reductions and Network Updates by State

Below you'll see new business rates and network information listed by state.

Note: The usual quarterly trend factors will also be applied which will partially offset the reductions shown below.

California **California Foundation for Medical Care (CFMC)** network is now available in the San Francisco, San Jose, and Bakersfield markets in these ZIP codes: (94022-24, 35, 39-43, 85-89), (94301-06, 09); (95002, 08-09, 11, 13-15, 20-21, 26, 30-33, 35-38, 42, 44, 46, 50-56, 70-71), (95101, 03, 06, 08-13, 15-36, 38-41, 48, 50-61, 64, 70, 72-73, 90-94, 96) (93201-08, 12, 15-16, 18-27, 30, 32, 35, 37-47, 49-52, 55-58, 60-63, 65-68, 70-72, 74-80, 82-83, 85-87, 90-92), (93301-09, 11-14, 80, 83-90), (93603, 15, 18, 31, 33, 41, 46-47, 54, 56, 66, 70, 73).

With this introduction, CFMC becomes the lowest-priced network in all three markets: Rates are **10-14% lower than PHCS** in San Francisco, **8-10% lower than PHCS** in San Jose, and **1-3% lower than Interplan Health Group (IHG)** in Fresno/Bakersfield.

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New Business Rate Reductions and Network Updates by State, cont'd

Georgia	Dental insurance: 33% lower rates on Plus
Illinois	Dental insurance: 18% lower rates on Basic and Plus
Indiana	Dental insurance: 33% lower rates on Plus
Iowa	Gundersen Lutheran network is now available in rural Iowa ZIP codes: 50466, (50606, 28, 55, 62, 64, 81), (52042-44, 47-49, 52, 66, 72, 76-77), (52101, 32-36, 40-42, 44, 46-47, 49, 51, 55-66, 68-72, 75.)
Louisiana	Verity Health network has expanded into Alexandria ZIP codes 713-714, and Shreveport ZIP codes 710-711. Verity Health includes Christus Hospital system, and Rapides Regional in Alexandria, and LSU Health Sciences and Christus Hospital system in Shreveport. Verity's expansion has improved pricing, with rates slightly lower than PHCS. It is now the lowest-priced network in both markets. Dental insurance: 18% lower rates on Plus
Michigan	Upper Peninsula Health Plan (UPHP) network is now available in the upper Michigan market, ZIP codes 498-499. UPHP has rates that are 7-9% lower than Health EOS and Cofinity . It includes the three largest hospitals: Marquette General Hospital, Dickinson County Memorial Hospital and Portage Health System.
Missouri	Dental insurance: 18% lower rates on Plus
North Carolina	Dental insurance: 18% lower rates on Basic and Plus
North Dakota	Interwest Health network is now available in rural North Dakota ZIP codes 585-588. The network includes Trinity Hospital, Trinity St. Joseph's Hospital, Mercy Medical Center and McKenzie County Hospital. SelectCare is expanding in the Fargo/Grand Forks market to include all ZIP codes in 582, 584, and 587 (before only certain 5-digit ZIP codes were available). We are also expanding SelectCare into rural North Dakota to include ZIP codes 585 and 586. These changes are effective March 1, 2009.
Ohio	Lower rates in Cincinnati ZIP codes 450, 451, 452 and 470 <ul style="list-style-type: none">▪ 8-9% lower rates on CoreMedSM Elite / MaxPlanSM Elite / RightStart[®] Elite▪ 3-6% lower rates on OneDeductible Elite Dental insurance: 33% lower rates on Plus
Oklahoma	Dental insurance: 18% lower rates on Plus
Tennessee	MercyNet is available in the Knoxville market, ZIP codes 377-379. This targeted network includes Mercy Health System. It becomes the lowest-priced network with rates 11-14% lower than PHCS .

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New Business Rate Reductions and Network Updates by State, cont'd

- Texas You'll see lower rates on IM plans in the following ZIP codes:
- Amarillo ZIP code 791 - rates are **13-14% lower** on OneDeductible Elite, **11% lower** SaveRight Elite, and **3-4% lower** on CoreMed Elite / MaxPlan Elite / RightStart Elite
 - El Paso ZIP codes 798, 799, and 885 - rates are **3-4% lower** on CoreMed Elite / MaxPlan Elite / RightStart Elite
- Platinum Teamchoice** network expanded to ZIP codes (79021, 31-32, 41, 64, 72-73, 82), (79221, 31, 35, 41, 50, 58)
- Verity Health** network expands into eastern Texas ZIP code 756. It is now the lowest-priced network with rates slightly lower than HealthLink. Verity includes Longview Regional Medical Center and IPA-Diagnostic Clinic of Longview.
- Wisconsin New lower rates in La Crosse ZIP codes 546:
- Rates are **22% lower** on OneDeductible Elite / SaveRight Elite
 - Rates are **13% lower** on CoreMed Elite / MaxPlan Elite / RightStart Elite
- Gundersen Lutheran** network is now available in La Crosse ZIP code 546, northwest WI ZIP code 547 and Madison ZIP code 538. Gundersen has **better discounts by 5% to 10%** depending on the plan and the best provider coverage over current networks in the La Crosse market.

Administrative Updates

All states: All individual medical enrollment forms and Tele-App packets have been updated. All forms have a revision date of 1/2009. Please order revised forms for your state from Supply and destroy any old forms. You should start using the revised forms immediately. Old forms will not be accepted after April 1, 2009.

Illinois: Effective June 1, 2009, the dependent definition includes unmarried children age 25 and younger.

Indiana: Effective immediately, Indiana has an expanded dependent definition that includes children age 23 and younger. Student status is no longer a requirement. The definition now also includes dependents age 23 and younger who are not natural born or adopted, such as step-children, children for whom the policyholder is the legal guardian, grandchildren or other blood relatives, and who are financially dependent upon the policyholder for more than 50% of their total support.

- **For in force business:** Add any qualifying dependent with a supplemental application.
- **For new business until our systems are updated:** You can add qualifying dependents, age 19 and older, who are not full-time students, by running a quote on the IM Proposal Software or on *EASE*, printing the proposal, then attaching it to a Tele-App or a paper application for submission.

E-mail Notification Enhancement

Agents who receive daily e-mail notifications of underwriting application status will see a new column of information that displays quoted premium and the payment mode for each applicant.

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The Latest Short Term Medical News

TelaDoc™ Medical Services now included with STM

New Short Term Medical clients now receive around-the-clock access to non-emergency medical care by telephone, 24 hours a day, 365 days a year with TelaDoc Medical Services. TelaDoc membership is included with new STM plans. Each physician consultation is only \$35, and consultation fees are covered* subject to deductible and coinsurance, for all STM plans that include TelaDoc services. Customers will receive registration information with their new policy welcome packets. See the TelaDoc flyer J-64703 for additional details.

*TelaDoc charges apply to a Short Term Medical deductible and coinsurance only when those conditions are covered by the Short Term Medical plan. All charges are subject to pre-existing condition review to determine if an exclusion applies. TelaDoc is available with STM plans in all states except Oklahoma.

Note: Registration and medical history disclosure must be completed prior to using TelaDoc services. TelaDoc is not an insurance product or a prescription fulfillment warehouse. TelaDoc consulting physicians do not prescribe DEA-controlled substances. TelaDoc services are available for patients 10 years of age and older.

Expanded customer base

- Non-U.S. citizens with U.S. addresses are now eligible for coverage
- Interscholastic sports participants are now eligible for coverage (intercollegiate sports are still excluded)

New rates effective March 1

New rates and updates for your state appear in your state's brochure and on software. All plans effective March 1 and later are subject to the new rates.

Discontinued services

- Patient Care services have been discontinued. Patient Care services will continue to be available with plans previously sold until the plan coverage period ends.
- Medco prescription discounts have been discontinued. Prescription drugs will still be covered subject to deductible and coinsurance but will not be managed by Medco. Materials have been updated.
- The \$5 million lifetime maximum buy-up option is no longer available. Materials and My Web Page have been updated.

Rate of payment is now "coinsurance"

Language in marketing materials and on the Web is changing. The term "rate of payment" has been changed to "coinsurance." Materials have been updated.

Application fee

The application fee is now \$25 in all states except Mississippi which remains \$6.

Illinois: Change to Dental-Vision Discount Plan

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Download STM software version 4.2 from the "Download Desktop Software" link at www.assuranthealthsales.com.