



PPO and Classic Medical plans and Life and STD plans insured by Humana Insurance Company
Medical HMO Plan offered by Humana Wisconsin Health Organization Insurance Corporation
Medical POS Plan offered by Humana Wisconsin Health Organization Insurance Corporation and insured by Humana Insurance Company

RATING AND RENEWABILITY DISCLOSURE

Humana's practice is that each Participating Employer group's initial medical rates are guaranteed for 12 months from the effective date of each Participating Employer group's coverage. Thereafter, a minimum of 60 days notice of a premium rate change will be given. Any changes in benefits may cause a change in premium rates. The new premium rates will be effective from the date that the changes are in effect.

Each participating employer group will be placed in one of two classes of "Humana Health Products", one with all the small employer groups on our records and the other with the block of business acquired from other carriers. Each participating employer group's rate will be based on two factors. The first factor takes into account the benefit plan, coverage type, geographic location and demographics (such as age, occupation, industry, gender, family status, case size, etc. as permitted by state requirements) of each participating employer group. Also, it may vary based on eligibility for Medicare and/or Workers' Compensation coverage. This factor is established based on overall experience of all participating employer groups insured under that product in the class and would be the same for any group with the same characteristics. Changes in any of your group case characteristics may affect this factor.

The second factor, each participating employer group's actual and potential medical claims utilization, may cause the rate to be above or below an established index rate. The index rate is defined as the arithmetic average of the lowest premium rate and corresponding highest premium rate within the class (i.e. highest rate plus lowest rate divided by two equals index rate), for groups with similar case characteristics and benefit plan. This factor may cause an increase of up to 30% over the index rate or a decrease of up to 30% below the index rate; the portion of a renewal rate increase attributable to this factor shall be no more than 15% in a 12 month period. Case size will be determined by the number of medical lives upon enrollment and periodically thereafter.

No participating employer group's coverage will be terminated based on the participating employer group's claims experience or any particular medical condition. Plans are renewable at the option of the employer and such plans can only be non-renewed by us for non-payment of premium, fraud, misrepresentation, failure to meet group size or participation requirements, or for non-compliance with plan provisions. Also, plans can be non-renewed by us if the group policy should terminate and the plan is replaced by another plan with substantially similar coverage, or if all plans within the same class of business in which the employer's plan is situated are terminated.

The Insurer reserves the right to modify their renewal practices, but will give the Participating Employer notice of any major change.

I do hereby certify that in accordance with s. 635.11 (1)-(3) of the Wisconsin Insurance Code, this rating and renewability disclosure has been presented and explained by the agent to the employer.

Special Notice: If you move your business outside of Wisconsin or employ less than 2 or more than 50 eligible employees during at least 50% of the number of weeks in a 12-month period, the rate limitations, underwriting restrictions, and renewal of coverage protections contained in the Wisconsin insurance laws pertaining to small employer health insurance will no longer apply to your policy beginning at the next renewal date.

Form with fields for Company Name, Address, City, State, Zip, Employer Signature, Agent Signature, and Date.