



**RATING & RENEWABILITY DISCLOSURE (FOR GROUPS 2-50 LIVES)**

This notice is required by Wisconsin Insurance law to be provided to small groups (groups with 2-50 eligible employees as determined at enrollment and periodically thereafter).

Network Health Plan/Network Health Insurance Corporation's (NHP/NHIC) practice is to guarantee each participating employer group's initial medical rates for 12 months from the effective date of coverage. Thereafter, a minimum of 60 days notice will be provided before any subsequent rate changes are imposed. Any changes in benefits may cause a change in premium rates. New premium rates will be effective on the date that benefit change(s) are implemented.

Each participating employer group will be based on three 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. This factor is established based upon the overall experience of all participating employer groups insured under that product in a given class of business, and would be the same for any group with the same characteristics. Changes in any group case characteristics may affect this factor.

The second factor, each participating employer group's actual and potential medical claims utilization, may cause a group's 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 plans. 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.

A third factor will be the result of NHP/NHIC's change in the new business premium rate measured from the first day of the prior rating period to the first day of the new rating period, or the change in the base premium rate, for classes of business that are not being issued new policies.

No participating employer group's coverage will be terminated based on the participating employer group's claims experience or on the basis of any particular medical condition. Group policies are renewable at the option of the employer and such policies can only be non-renewed by NHP/NHIC for non-payment of premium, fraud, misrepresentation, failure to meet group size (participation), contribution, or eligibility requirements, or for non-compliance with plan provisions. Specific benefit plans can be terminated by NHP/NHIC only if the benefit plan is discontinued for all group policies within the same class of business, and if that plan is replaced by another benefit plan with substantially similar benefits. NHP/NHIC reserves the right to non-renew all small group products by giving the appropriate notice.

NHP/NHIC reserves the right to modify its renewal and rating practices, and will give all affected participating employers notice of any major change implemented. Any changes implemented will be permissible under Wisconsin Insurance law.

I do hereby certify that in accordance with s. 635.11 (1)-(4) of the Wisconsin Insurance Code, this rating and renewability disclosure has been presented and explained by the agent to the employer.

\_\_\_\_\_  
*Company Name*

\_\_\_\_\_  
*Address* *City* *State* *Zip*

\_\_\_\_\_  
*Employer Signature*

\_\_\_\_\_  
*Agent Signature*

\_\_\_\_\_  
*Date*

\_\_\_\_\_  
*Date*