

Instructions for Completing the Attached Disclosure Form

HIPAA Privacy permits the release of Protected Health Information (PHI) for the purpose of evaluating and accepting risk associated with the Plan Sponsor as a part of “health care operations”. The Company/MGU shall use the information provided solely for the purpose of evaluating the acceptability of this risk and shall not disclose any PHI collected except in performing this risk evaluation.

The Company will rely upon the information provided on the attached disclosure form, which will become part of the Application for stop loss coverage. The purpose of the form is to allow the Company to take underwriting action on all known risks in the categories listed below. It is the Plan Sponsor’s responsibility, either directly or through their designated representative, to accurately report all claims known as of the date of this disclosure by making a thorough review of all applicable records. Such records shall include historical claims reports, disability records, current information from administrators, insurers, utilization management companies, managed care companies, and any Agent/Broker of the Plan Sponsor. In exchange, the Company will accept the liability for any truly unknown risks. The attached disclosure form must be completed and signed by the appropriate parties no more than [thirty (30)] days prior to the proposed Effective Date of stop loss coverage and received by the Company within [five (5)] days of completion.

Upon receipt of the completed disclosure, the Company will assess all data, new and previously reported, and will inform the producer in writing within [five (5)] days of any changes to the rates, factors or terms of coverage. The Company reserves the right to rescind the proposal in its entirety based upon a review of all information submitted during the proposal process.

List on the Disclosure Form all risks known to:

1. Be currently disabled, confined to a Medical Facility, or have been precertified within the last three months.
2. Have received medical services during the current plan year the cost of which exceeds the lesser of, 50% of the lowest Specific Retention Amount applied for or \$50,000, and for which bills have been received by the Claims Administrator and entered into their Claims System.
3. Have been identified as a candidate for Case Management and as having the potential to exceed during the policy period, the lesser of, 50% of the lowest Specific Retention Amount applied for, or \$50,000.
4. Have been diagnosed, during the current plan year, with a condition represented by any of the ICD-9 codes contained in the attached list [and have also received medical services costing \$5,000. during the same period].

If the Plan Sponsor fails to disclose any risk known to fall into one of the above categories, either intentionally or because a thorough review of all records was not conducted, then the Company will have no liability for claims on the risk not disclosed.