



Dear UniCare Agent:

July 2008

We are writing to you today because we appreciate your business and want to communicate some important changes to UniCare Health Insurance Company of the Midwest (UniCare) Illinois Individual business that will be taking place effective October 1, 2008. Important topics are listed below.

- **Rate Adjustments**—Effective October 1, 2008, UniCare will be issuing new business rates which will affect Individual members emerging from their twelve month rate guarantee period and members enrolled in the Solaura plans.
- **Solaura** – All existing Solaura members not currently in their 12 month rate guaranteed period will experience a rate adjustment.
- **New Business Rates for Short Term Health Insurance Plans**—UniCare will be issuing new business rates for Short Term plans effective October 1, 2008 in Illinois. Your existing Short Term clients will not be affected by this rate action.
- **Trend** – Effective October 1, 2008, UniCare will be introducing quarterly trend adjustments for new business rates. ***Future notifications will be sent via agent eBlast so please ensure that you have provided UniCare with your most current e-mail address.***
- **Entry Age** – An applicants' rate will be based on the age of the applicant as it was the first day of the enrollment month.
- **Rate Sheets** – Effective October 1, 2008, we will no longer produce rate sheets. We have created a new tool – the **Rate Calculator** – that will be hosted on the Agent Web site located on www.unicare.com. The rate calculator is a quick and easy tool that allows you to attain rates for your new and existing clients by simply entering their age, zip code, and rate tier level (for existing clients only). This new tool also allows you to personalize the rate sheets for printing by entering an individual's name.

Rate Adjustments

New business rates will be adjusted on the following plans in Illinois effective October 1, 2008:

- FIT 500, 1000, 1500, 2000, 3000, and 5000 Plans
- Saver 2000
- Sound: The Cruiser, Curb Jumper and Gravity Bender PPO Plans
- UniCare 500, 1000, 1500, 2000, 3000, 5000 and UniCare Premier No Deductible
- High-Deductible (former MSA Compatible) Single \$2,500/Family \$4,950 Plans
- High-Deductible (HSA Compatible) Plans 1, 2 and 3
- High-Deductible (HSA Compatible) Variable Contribution Plan
- High-Deductible (HSA Compatible) Variable Deductible Plan
- Solaura Plans (all rates adjusted)

Client Notification and Your Client List

We will send your affected clients personalized letters with their new rates on or about July 25, 2008.

Your clients will receive their plan change options, if applicable, when we notify them of their rate adjustments. They can change to a plan for which they qualify by submitting a Plan Change Request Form which will be supplied to them if appropriate.

The enclosed Upgrade/Downgrade Matrix will assist you in determining the plan change options that your clients will be offered, what changes will be reviewed for rates, and what changes will require underwriting. We encourage your clients to consult with you prior to making any plan changes.

Member mailing will include:

- Personalized letters to your clients
- Plan Change Request Form (if applicable)
- Required Annual Notifications
- Illinois Individual Plan Overview (if applicable)
- Return envelope (if applicable)

Clients with Bank Draft

Your clients who have elected monthly checking account deductions (bank draft) and wish to change plans must return the Plan Change Request Form at least ten days prior to the monthly bank draft bill date for an October 1, 2008 plan change effective date.

New Business Rates for Short Term Plans

New business rates will go into effect on October 1, 2008 for Short Term Plans. The Short Term brochure is available on your UniCare Agent Web site.

New Applicant Cut-Off Date

UniCare will honor paper and online applications with January 1, 2008 rates if we receive them on or before September 26, 2008. All applications received September 27, 2008 or later will receive the October 1, 2008 rates.

Entry Age

Entry age refers to the rate that the member will receive based on his or her age as it is on the 1st of the month that the member applies for UniCare coverage. Listed below are two examples of how entry age rating will impact your clients:

Joe Smith is 34 years old. He will turn 35 on June 15, 2008. He applies for UniCare Individual coverage on June 10, 2008 and requests an effective date of June 20, 2008. Due to his entry age on the 1st of the month, Joe Smith's rate will be based on him being 34 years old even though he will be 35 years old on his effective date.

Mary Davis' parents are completing an application for coverage for her since she is a minor child. She will turn two on June 15, 2008. Mary's parents are applying for coverage on June 10, 2008. They are requesting a June 20, 2008 effective date. Based on her entry age as of the 1st of the month, Mary's effective date will be based on a one year old child's rate.

Trend and Quarterly Rating

As previously mentioned, effective October 1, 2008, UniCare will be introducing a trend adjustment to our rates. On a quarterly basis, UniCare will review the pricing on all UniCare products to ensure that they have been priced appropriately and are still competitive within the Individual market. New business members will pay the current quarterly rate based on their effective date; however, existing members will receive the current quarterly rate on their anniversary dates. For example, if UniCare sets a new trend rate effective April 1, 2008, all applicants applying for UniCare coverage with original effective dates during that quarter will receive the current April 1, 2008 trend; however an existing member with an effective date of February 1, 2008 will not receive the then-current trend rate until February 1, 2009.

You can count on UniCare for competitive products and ongoing agent support. If you have questions, please call your Sales & Renewal Executive or your Dedicated Agent Support Team at (877) UNI-AGNT (877-864-2468).

Thank you for your business and continued support.

Sincerely,



Christin Unruh-Thomas
Vice President
UniCare Consumer Services Group

Enclosures:

- Plan Overview
- Upgrade/Downgrade Matrix
- Agent Roll Up Report
- Anniversary Rating FAQ
- Sample Individual member invoice

Insurance coverage is underwritten by UniCare Health Insurance Company of the Midwest (IN and IL only). ®Registered Mark of WellPoint, Inc. © 2008 WellPoint, Inc.