

November 3, 2008

2009 Renewal Summary of Changes

Overview:

Thank you for your continued support of AET. 2008 has been a terrific year as we work together to provide affordable healthcare to small and mid-sized companies in Washington state.

We are pleased to announce only minor benefit changes to your renewal. Highlighted below are several important items regarding the renewal.

The requirements for processing renewals remain unchanged. To ensure eligibility is active on the renewal date, please complete the AET Group Master Application and return to Wells Fargo Insurance Services by the December 15th. If the Group Master Application is not received by the last day of the contract period, AET assumes that the member company desires to cancel coverage and will be terminated.

Wellness Program:

2009 will mark the third anniversary that AET has helped member companies embrace wellness and help lower the cost of health insurance.

AET's comprehensive wellness program is designed to reward employers with premium savings AFTER they have completed the minimum requirements.

This year we are adding in-home biometric testing, through bioIQ™ and a wellness savings estimator tool. This tool is designed to calculate and illustrate the potential monthly savings an employer can earn once they have completed the minimum requirements. This is only an illustration, as the actual amount depends on enrollment at the time of completion and the number of months remaining in the contract year.

A group can save 4% monthly medical premiums once verification of the completed program has occurred.

Here are a few highlights; for more details on the wellness program, please review the Wellness Toolkit that is included in the renewal packet.

- The minimum requirement to successfully complete the program is based on 50% of the employees participating in the biometric testing and the online Personal Health Assessment.
- The deadline for completion is 9 months from the member company's anniversary effective date.
- Member companies have the flexibility to custom design their own employee incentive program(s).

UnitedHealthcare:

2009 Plan changes are as follows:

- Eliminate the offering of plan WBD, \$0 Choice Plus \$500 with no replacement.
- Plans WBA (\$25 Choice Plus \$1000): ER copay changed from \$150 to \$100 to match all other plans in the portfolio.
- WBF (\$30 Choice Plus \$1000): ER copay changed from \$150 to \$100 to match all other plans in the portfolio.
- All other plan options remain the same.

Washington Dental Service:

Over the last 5 years AET has consistently delivered single digit rate increases. This year the rate increase is approximate 1%.

We have not made any plan design changes to our dental benefits.

If your client doesn't have dental benefits with AET, review carefully.

Vision Service Plan:

Vision rates have been reduced nearly 20%

Enhanced benefits at a reduced cost! All groups with AET vision plans will save premium in 2009 and have better benefit allowances.

- Signature Choice A: Hardware allowance changed from \$120 to \$130 per year.
- Signature Plan B: Hardware allowance changed from \$120 to \$130 per year.
- No other changes have been made to these plans.

If your client doesn't have vision benefits with AET, review carefully.

Unimerica Life and Disability:

AET transitioned all life and disability products to Unimerica effective August 1, 2008. In an effort to align all lines of coverage renewals, we have extended rates through December 31st, 2009. The GMA will require that you indicate the life and disability benefits your client wishes to renew with.

SPECIAL NOTE: Groups effective December 1st, 2007 and prior must include the base Short-term Disability benefit (\$1.16 per employee). The Short-term Disability benefit is compulsory for groups effective December 1st, 2007 and prior. The rate is now unbundled from the medical price tag. Therefore, it will now appear as a separate line item on the 2009 renewal workbook and the billing statement from AET.

We encourage you review the new life and disability options available.

Third-party Administrator Services:

In response to your requests, AET now has the ability to offer multiple location billing and to allow groups to use their own third-party COBRA administrator. AET has also improved the efficiency of processing new and renewing groups turnaround times.

- Multiple Location Billing: Only available at the time of renewal.
 - Groups may request multiple location billing when there are different service locations. Please contact Bryan Marsh for details in setting this up for your client.
- Opt-out of AI COBRA Administration Services:
 - Groups who have lines of coverage outside of the AET can now opt-out of AI administering medical COBRA services. This will allow groups to seek consolidated administration services for all lines of coverage that they may have. AI does not offer COBRA administration for coverage through any insurance plan that is not part of the AET suite of products.
- New and Renewing Group Turnaround Times:
 - Once WFIS has received all materials that are completed, accurate and final rates based on final enrollment is agreed upon, the processing turnaround time begins.
 - Allow AI and UHC 10 days to process the groups.
 - If a group is received before the 20th of the month prior, the group's eligibility will be loaded and verifiable by providers and pharmacies on the 1st of the month.
 - No groups received after the 20th will be given heightened priority. We have a first come first serve policy.
 - No groups will be accepted after the first of the effective month.

We appreciate your partnership.
Thank you,

Bryan D. Marsh
AET Program Manager
Wells Fargo Insurance Services