

Physicians Plus Insurance Corporation
Disclosure Form – Rating Factor and Renewability Provisions

In Accordance with Wisconsin Statutes, prior to completing an application for a policy, this form shall be reviewed with the employer and signed by Physicians Plus Insurance Corporation (PHYSICIANS PLUS) or its agent, and the employer.

Required Disclosure

1. PHYSICIANS PLUS has the right to increase rates in an amount up to the sum of the following factors:
 - a. The percentage change in the premium rate charged or offered to employer with similar case characteristics, similar benefit design characteristics and in the same class of business.
 - b. An adjustment, not to exceed 15% per year for claim experience, health status and duration of coverage factors (This applies to small employer groups only 2-50 Employees).
 - c. An adjustment for a change in case characteristics or benefit design characteristics. The extent of the effects of these rating factors can be minimal or significant, depending on the circumstances of the employer group.

2. Benefit design characteristics and case characteristics affect premium rates. Adding a copay and/or deductibles is an example of a benefit design characteristic. Adding a dental benefit is another. The demographic mix of employees (i.e. age, sex and number of dependents) is an example of case characteristics. These types of characteristics directly affect expected costs and therefore required premium rates. The extent of the effects can be minimal or significant, depending upon specific circumstances of the employer group.

3. A policy issued by PHYSICIANS PLUS may not be cancelled before the expiration of the agreed term and shall be renewable at the option of the employer (notwithstanding Section 1 above), except for any of the following reasons:
 - a. Failure to pay a premium when due.
 - b. Fraud or misrepresentation by the employer or, with respect to coverage for an insured individual, fraud or misrepresentation by the insured individual.
 - c. Substantial breaches of contractual duties, conditions or warranties.
 - d. The number of individuals covered under the plan is less than the number required by the plan or policy. (Note: we will delay non renewal or termination for 60 days after the date we would have otherwise non renewed or terminated the policy in order to allow the policy holder to increase participation to the required amount. If at the end of the 60 day period, the number of employees covered is less than the number required, we will non renew or terminate the policy; unless the less than required number of covered employees is due to an employee's sickness or injury, approved leave of absence or temporary layoff.
 - e. The employer is no longer actively engaged in a business enterprise.
 - f. The policyholder does not meet the definition of an employer as of the end of the policy term.

PHYSICIANS PLUS may elect not to renew a policy only if it complies with provisions outlined by the Office of the Commissioner of Insurance. Those provisions include, but are not limited to, notice of termination at least one year before termination of coverage. The above policyholder protections cease to apply on renewal of the policy if the policyholder no longer meets the definition of an employer.

The above disclosures were reviewed prior to completing an application for a policy.

Group Name

Employer Representative

Title

Date

Licensed Agent Signature & Name of Agency

Title

Date