



NEW WEST HEALTH SERVICES

Sales and Solicitation Disclosure of Small Group Rating

Initial premium rates for a small group employer are based on the following: (1) Base rates which are determined by the experience of small group block of business; (2) Benefit plan and riders; (3) Effective date of coverage; (4) Age and coverage tier of employees; (5) Information regarding the employee's and dependents' medical conditions, as reported in medical applications completed by the employees; and (6) The employer's geographic location and industry.

Renewal rates will be adjusted for changes in the employer census affecting the mix of employees' ages or coverage tiers. It is New West Health Services policy that premium rates for a small employer can only be changed beginning with a new contract period.

The contract between the employer and New West Health Services is guaranteed renewable with the exception that group size reduces to less than two employees. The contract can only be terminated due to non-payment of premium, employer fraud and/or NWHS total withdrawal from the small group employer market.

All New West Health Services rating practices are consistent with the provisions of Montana Code Annotated, section 33-22-1809. New West Health Services reserves the right to change the factors and/or methodologies used to develop premium rates for a small employer subject to the requirements of the Montana statutes and regulations.

Pre-existing conditions, evidenced by medical advice, diagnosis, care, or treatment for a period of 6 months prior to coverage, are excluded for 12 months (18 months for small group late enrollees), subject to offset for prior creditable coverage.