

IMPORTANT INFORMATION: NOTICE OF NONSTANDARD WITHDRAWAL

June 14, 2012

Dear Valued Broker:

Thank you for your continued business. Horizon Blue Cross Blue Shield of New Jersey (“Horizon BCBSNJ”) is writing to inform you that it will be withdrawing its Nonstandard Small Group health benefits plans. In compliance with the Small Employer Health Benefits Program regulation N.J.A.C. 11:21-13.6, the withdrawal of our Nonstandard Small Employer health and prescription drug plans from the marketplace has been approved by the New Jersey Department of Banking and Insurance. This change will impact several of your Small Employer clients at their upcoming anniversary dates. Your clients covered by Nonstandard Small Employer plans, if eligible for Reform Small Employer coverage, can change to Reform plans offered by Horizon BCBSNJ upon their renewal dates.

“Nonstandard” plans are plans that were either issued prior to the January 1, 1994 (effective date of New Jersey’s reform laws) or issued to small employers that did not meet the eligibility requirements of the reform laws.

Any client currently covered by one of the plans that are being withdrawn must be reviewed to determine if they are eligible for Small Employer coverage, as their existing plan will no longer be available and will not be renewed. If they are eligible for Reform Small Employer coverage, they will be able to select from Horizon BCBSNJ’s health benefit plan options.¹

Any clients who are not eligible for Small Employer coverage may choose to elect Individual coverage offered by Horizon BCBSNJ. Their employees may also elect Horizon BCBSNJ individual coverage.

In our continued focus on service to our clients, we have initiated this effort to simplify our current health and prescription drug product portfolio.

Next steps:

Your clients will receive a withdrawal notification at least ninety (90) days before their anniversary dates.

We are encouraging your clients to contact you before their anniversary dates to discuss their health and prescription drug coverage options. If your clients who qualify for small employer coverage choose to enroll in any of our Small Employer HMO and/or POS HSA compatible plans, your clients must complete the *New Jersey Small Employer Funding Certification and Statement of Understanding Attestation Form*.

Important for you to know:

The decision to change our product portfolio is being applied uniformly and is not based on the claims experience of your clients' groups or any health-related factors of current or future members. A streamlined product portfolio will enable us to continue our focus on service to your clients.

If you have questions about the withdrawal process, please contact your Horizon BCBSNJ sales representative.

Thank you.

Sincerely,

A handwritten signature in cursive script that reads "Al Bowles".

Al Bowles
Vice President
Commercial and Major Accounts Markets

¹ Products and services may be provided through Horizon Blue Cross Blue Shield of New Jersey, Horizon Healthcare of New Jersey, Inc. or Horizon Healthcare Dental, Inc., all of which are independent licensees of the Blue Cross and Blue Shield Association.