

---

# LEGAL NOTICES

## PRODUCTS AND SERVICES OFFERED

---

Great-West Healthcare, the healthcare division of Great-West Life & Annuity Insurance Company (“GWLA”), has been acquired by Connecticut General Life Insurance Company (“CGLIC”), an operating subsidiary of CIGNA Corporation, Great-West Healthcare is now a part of CIGNA. Certain insurance policies (Medical, Life, Accidental Death & Dismemberment, Disability, and Excess Loss) and products/ services for self-insured plans continue to be offered by GWLA, however they are now administered by CGLIC. CGLIC administers insurance policies and self-insured plans on behalf of GWLA and its affiliates, First Great-West Life & Annuity Insurance Company and Canada Life Assurance Company, as well as certain insurance policies of The New England Life Insurance Company and Metropolitan Life Insurance Company.

“CIGNA” and the “Tree of Life” logo are registered service marks of CIGNA Intellectual Property, Inc., licensed for use by CIGNA Corporation and its operating subsidiaries. All products and services are provided exclusively by such operating subsidiaries and not by CIGNA Corporation. Such operating subsidiaries include CGLIC, CIGNA Health and Life Insurance Company, CIGNA Behavioral Health, Inc., Intracorp, Allegiance Life & Health Insurance Company and HMO or service company subsidiaries of CIGNA Health Corporation.

The product and service descriptions on this Web site are not intended to be offers to sell or solicitations. All products are not available in all areas and are subject to applicable regulations.

### LEGAL NOTICES REGARDING OUR WEB SITE

- Information on this Web site is provided “AS IS” without warranty of any kind, either express or implied, including but not limited to the implied warranties of merchantability, fitness for a particular purpose and non-infringement.
- The information on this Web site might be out of date at any given time. Changes, revisions or enhancements to the products, services or account information described on this Web site can occur at any time and without notice.
- Legal or professional services are not being rendered by placing information on this Web site. Covered persons, clients and others viewing information regarding products, services and account information should contact a CIGNA representative directly before making any decision based on information found on this site.
- This Web site is neither designed nor intended to advance or sell any particular product or service. Any reference to products or services is purely for illustrative and informational purposes.

There are references throughout this Web site to various trademarks or service marks and these trademarks and service marks, whether registered or not, are the property of their respective owners.

- Unauthorized copying, reproduction, duplication, transmission or use of the information contained on this Web site is prohibited.
- You agree by accessing this Web site that under no circumstances or any theories of liability under international or civil, common or statutory law including, but not limited to strict liability, negligence or other tort theories or contract, patent or copyright laws, will any CIGNA affiliated company be liable for damages of any kind occurring from the use of this Web site or any information, goods or services obtained on this Web site including direct, indirect, consequential, incidental, or punitive damages to the fullest extent permitted by law. Some jurisdictions do not allow the exclusion or limitation of certain damages so some of these limitations may not apply to you.

---

### DISCLOSURE OF FINANCIAL ARRANGEMENTS

#### *Compensation to Third Parties*

Compensation is paid to third party brokers and insurance sales people for placing a Client’s (“Client” refers to employers or other groups sponsoring a health benefit plan) insurance coverage and/or plan administration contract with Great-West Life & Annuity Insurance Company, First Great-West Life & Annuity Insurance Company and the Canada Life Assurance Company (collectively, “Great-West”). This compensation is typically in the form of a percentage of premiums collected in the case of insurance policies, or a fixed, per-employee per-month rate (in the case of self-insured plans).

Additional compensation may be paid to brokers and insurance sales people based on persistency or other non-case-specific factors, sometimes referred to as “contingent commissions.” This additional compensation is not part of the regular commissions.

Reports are sent to its employer policyholders and contract-holders regarding the commission and contingent commissions paid to brokers or insurance sales people for their use in preparing their Annual Return and report (Form 5500) where required under federal law (ERISA). Upon request, we will also disclose how the client may receive more information directly from the broker or sales person regarding compensation arrangements.

*Continued on next page.*

## ***Primary Source of Revenue***

The primary compensation received with respect to insurance policies is the policyholder paid insurance premium. The primary source of revenue in connection with administrative services contracts is the service fees paid by the self-insured plan sponsor and/or the plan.

## ***Other Revenue Sources***

We negotiate for additional revenue from some third party vendors. We negotiate the additional revenue as part of the overall structure of each vendor agreement. The nature of negotiated contracts with vendors is that they are generally based on the aggregation of all business related to the contract and are not Client-specific.

CIGNA retains this additional revenue for its sole and exclusive use, applying it in part to the overall cost of maintaining Client programs and other business expenses. The aggregate revenue generated from the third party vendors, including programs designed to generate cost savings for the Client, allows CIGNA to cover the cost of client programs and other business expenses and to offer lower premiums and administrative fees to its Clients.

CIGNA may offer programs and services where a third party vendor supplies all or part of the program or services. The claim amount charged to the Client for the program or services includes both an amount to cover the vendor fees and an amount for CIGNA's related and other expenses. The disease management program is an example of a vendor program where the Client may be charged more than the amount charged by the vendor for the program.

Another example can be found in the rates for pharmacy benefits negotiated with a pharmacy benefit manager (PBM). The rates charged to a Client are typically expressed as a percentage discount from average wholesale price. CIGNA may offer lower discounts to the Client than the discounts that CIGNA is offered by the PBM. Great-West may obtain or retain all or a portion of drug manufacturer revenue that it receives from the PBM or directly from the drug manufacturer. This revenue may be based on factors including membership volume, volume of drug usage or placement of a drug on the formulary. CIGNA's drug formulary changes occasionally based on clinical efficacy, net drug cost and market share considerations. Member reimbursements will differ depending on where the drug falls in the formulary. Changes to the formulary can impact the revenue paid by drug manufacturers to CIGNA or the PBM.

CIGNA may also receive transition fees when it changes third party vendors. These fees are paid to CIGNA by the vendor to cover implementation and related expenses such as staffing or administrative changes that CIGNA incurs during the transition. CIGNA may receive marketing fees or commissions from vendors for placing the business with the vendor. These

may be calculated on a per-member per-month (PMPM) basis, flat rate, or on a percentage basis. CIGNA may receive other compensation from its third party vendors. For example, CIGNA may receive payment for the development and installation of special computer systems or programs necessary for CIGNA to deliver a particular service to its Clients.

CIGNA may receive performance guarantee payments if a vendor does not meet performance targets.

CIGNA uses a specialized vendor to negotiate discounts for large out-of-network (OON) claims. When a large out of network claim is received, the vendor will negotiate with the provider to obtain a lower rate, or discount, to the charges. The amount for the claim charged to our Client will reflect the discounted charges and an administrative fee will be charged for providing the savings program. Similar savings programs are in place for secondary networks and to audit large, complex hospital claims.

When a third party should have been responsible for the claims incurred by a member (as a result of an automobile accident, for example), after paying the claim, CIGNA may try to obtain reimbursement from the third party source. CIGNA currently pursues reimbursement using a specialized subrogation vendor. For successful efforts, a percentage of the recovery is retained by CIGNA. Additionally, CIGNA has priority right to reimbursement of any stop loss payments. Any excess is credited to the Client.

In most situations, CIGNA processes claims directly and the claim amount collected by CIGNA from the Client equals the amount paid to the provider. Where a third party manages a particular type of medical service, a portion of the claim amount paid to the third party may in turn be paid to CIGNA by the third party to cover CIGNA's costs of administration and other business costs. A Member's coinsurance, deductible and lifetime maximum are calculated based on the entire claim amount including the portion retained by CIGNA to cover costs.

## ***Claims Cost Containment Initiative***

In an effort to increase savings and reduce claims costs, we have implemented a savings program to review select facility claims for billing and coding errors. This program is now available for all self-funded customers. Effective December 1, 2009, the Clinical Claims Review (CCR) program will be treated as a savings initiative pursuant to the Savings Initiative provision of your administrative services agreement and we will be retaining the specified fee for the savings realized.

## ***Revisions to Disclosure***

This disclosure may be revised from time to time and any updated disclosures will be available on our Web site at [CIGNAforhealth.com](http://CIGNAforhealth.com) or [myCIGNAforhealth.com](http://myCIGNAforhealth.com).

*Continued on next page.*





“CIGNA” and the “Tree of Life” logo are registered service marks of CIGNA Intellectual Property, Inc., licensed for use by CIGNA Corporation and its operating subsidiaries. All products and services are provided exclusively by such operating subsidiaries and not by CIGNA Corporation. Such operating subsidiaries include Connecticut General Life Insurance Company (CGLIC) and CIGNA Health and Life Insurance Company (CHLIC). CGLIC may administer insurance policies and self-insured plans on behalf of Great-West Life & Annuity Insurance Company and its affiliates, First Great-West Life & Annuity Insurance Company, White Plains, N.Y., and Canada Life Assurance Company, as well as The New England Life Insurance Company and Metropolitan Life Insurance Company.