



19 North Main Street, Wilkes-Barre, PA 18711-0302

January 2010

Dear Policyholder:

After careful consideration, Significa Insurance Group, Inc. (Significa) is announcing its plan to exit the commercial group insurance market in Pennsylvania, Ohio, Arizona and Virginia and the individual insurance market in Ohio and Arizona, where combined, we serve over 15,000 members.

As a small life and health carrier, competing against much larger plans, it has become extremely difficult for Significa to offer quality products at competitive prices. An assessment of our initial goal to obtain a critical mass of 40,000 members by 2011 and the anticipated impact on our business model due to the various healthcare reform proposals has caused Significa to re-evaluate our future position in the life and health insurance markets.

Pursuant to Federal and state regulations and the relevant language in the insurance contract, Significa is hereby providing 180 days notice of termination of your health insurance policy. If your policy renewal date is before July 31, 2010, you may have the option to renew the policy and continue your coverage until the next renewal date of the policy. If your policy expires on or after July 31, 2010, coverage will terminate on the renewal date. Significa will continue to honor all of its servicing and financial obligations for claims incurred up to the expiration date of the policy in accordance with the terms and provisions of the insurance contract.

Replacement individual health insurance coverage may be available through the following carriers: United Health Group, Cigna, HealthNet, Aetna, and Blue Cross/Blue Shield of Arizona. You may contact these carriers to inquire about available health insurance coverage.

We, at Significa, sincerely regret any inconvenience this important decision may have caused and we will assist you with any questions or concerns. Please be assured that throughout this period we are committed to administering your health insurance coverage in accordance with our established service goals and standards. If you have any questions about this letter please contact our customer service line at 1-800-796-7460.

Sincerely,

Lucille Connors, FLMI, CEBS  
Sr. Vice President