

WellPoint Individual Business
2010 Plan 1st Pass
Opportunities (not reflected in Forecast/Plan)

Alternate Distribution Strategies - Retail, Worksite, etc.

Risk Management - our MLR should improve as we eliminate subsidies and other Risk Management initiatives.

1. Application Dating: Applications for those with prior coverage will be dated no earlier than the day after receipt. Applications for those with a 63 gap in coverage will be dated no earlier than 10 days after receipt.
2. Reinstatement: Reinstatements will only be allowed for a period of 60 days post termination and will require underwriting and payment of back premiums.
3. Administrative Exceptions: All administrative exceptions to guidelines, rules, claim payments, etc. must be individually approved by the General Manager.
4. Clean Sheeting: We are developing and will implement a process for random checking of clean applications. The checking will be done by telewriters and the frequency of checks will be calibrated to the risk.
5. HPA Eligibility, enrollment process and dating: HPA rules are being amended to ensure that procedures are not more liberal than required by the law.
6. Pre-existing waiting periods have been adjusted to be the either 12 months or the legal maximum if less.
7. Retro-active cancellations have been eliminated.
8. Grace Periods are being enforced and auto-cancels are being issued at the end of the grace period.
9. Agent experience data is being examined for high lapses and early pre-existing claims to improve management of field underwriting.
10. A study has been completed of all underwriting risk rules and we are proceeding to implement over 90 recommendations.
11. We have updated underwriting guidelines on nearly 40 conditions.
12. Initial payment is now required with all applications.

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