

For Distribution to Brokers/Wholesalers/Administrators Only

September 30, 2003

New RateFirst System

Market: MD SEGO

In response to feedback from numerous brokers, CareFirst BlueCross BlueShield (CareFirst) is pleased to announce that we will be launching a new RateFirst System called "RateFirst 2" in the beginning of October. The effective dates for the new system begin with 12/1/03. This new system will allow CareFirst to use a consistent age calculation method for all products, and the calculations will be based on the age of the contract holder as of the first day of the effective, month and year of the new business quote or renewal.

In addition, some of the other positive changes with this new system will be:

- Do not have to key in ages of subscribers
- The new system will provide a screen for keying in subscribers' date-of-birth
- The new system automatically calculates the ages and displays them for each age band

We hope you find the new system makes it easier for you to quote CareFirst products. Below are frequently asked questions and answers regarding the new system for your reference.

Are there Minimum System Requirements?

The new system has been tested to run on a minimum standard of Windows 2000. If you have a version of Windows that is lower than Windows 2000, it may work, but we cannot give you a guarantee.

Are the rates changing effective 12/1/03?

No, the rates for effective dates of 12/1/03 will be the same as the rates for effective dates of 11/1/03.

Will I be able to transfer my existing RateFirst data to the new system?

No. Because the data tables have been completely redesigned, data cannot be transferred from the old system to the new system.

Can I still keep the old RateFirst System on my computer to look up historical data even after I have installed the new RateFirst 2?

Yes, they are two completely different systems. You can still look up old quotes for effective dates 11/1/03 and prior on your old RateFirst system. You will use the new system beginning with 12/1/03 effective dates.

Will the new RateFirst 2 look a lot different than the old system?

Only the input screens will look different.

Will the new system be multi-user?

A multi-user system means that multiple users can access the same database at the same time. The first version of RateFirst 2 will not provide this feature, however, we are looking to make this possible in the future.

Distribution of Installation Files:

We will continue to distribute the installation file via our CareFirst.com web site on the "For Brokers", "Rate Download" page.

CareFirst will confirm when the new system is live as well as send you a RateFirst 2 training manual via email. Thank you for your understanding as we transition to this new system. If you have any questions please contact your Broker Sales Representative.



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