

SALES SOURCE

September 2006

2006 YTD Top Producers

Congratulations to the following 2006 Top Performing YTD Brokers!

New Sales 1-50 Market:

TOP PRODUCERS YTD

■ **Group Insurance Solutions:** Jonathan Anders



Q: "Why has GISI been so successful in the small group market for the first six months?"

A: "Group Insurance Solutions, Inc. (GISI) has been a successful firm in Maryland's group benefit arena. In recent years our strong foundation in the Small Group market has been bolstered by the additions of Greg Mayer, Executive Vice President and Ryan Gordon, Regional Vice President. Greg and Ryan are focused on building a quality, consultative sales team with sales professionals from Western Maryland to the Eastern Shore. This team of consultants is backed by the veteran staff at GISI and utilizes Methods and Tools developed through years of experience, creating a notable brand name in the marketplace. Clients and prospects alike are realizing the value that has been established in the MD Small Group market by GISI."

-Jonathan W. Anders

■ **Richard J. Princinsky & Associates:** Richard J. Princinsky



Q: "Why has Princinsky and Associates been so successful in the small group market for the first six months?"

A: "It all boils down to product. CareFirst products speak for themselves. The Blue Selections portfolio consists of great products with a fabulous reputation. We have been a customer for over 25 years and the maturity of Blue Selections products has kept it competitive and easy to sell."

-Richard J. Princinsky

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Mike Felber, Shekar Subramaniam and Carl Repetti would like to congratulate these top performing brokers and thank the entire broker community for their sales performance. We truly value your support and appreciate your hard work. Thank you!

2006 YTD Top Producers (continued)

New Sales 1-50 Market:

TOP 20 PRODUCERS YTD

- | | |
|---------------------------------------|--|
| 1. Group Insurance Solutions | 11. Benefits Plus Inc |
| 2. Richard J. Princinsky & Associates | 12. Benefit Watch, LLC |
| 3. Keller-Stonebraker Insurance Group | 13. Employee Benefits Group |
| 4. Raffa Financial Services Inc | 14. Paul McMahon /Group Benefit Solutions, LLC |
| 5. Potomac Basin Group Associates | 15. Foster Thomas |
| 6. Early Cassidy & Schilling Inc | 16. Client First Brokerage Services Inc |
| 7. Corporate Coverage | 17. Employee Benefit Services |
| 8. Kelly & Associates Insurance Group | 18. Bowman Gaskins Financial Group |
| 9. Independent Benefit Services | 19. Central Maryland Insurance Associates |
| 10. Meltzer Group | 20. Strategic Financial Advisers, LLC |

New Sales 51+ Market:

TOP PRODUCERS YTD

- | | |
|----------------------------------|--------------|
| ■ Mercer Health & Benefits LLC: | Ellen Kelsay |
| ■ C T Hellmuth & Associates Inc: | Jim Hellmuth |

TOP 20 PRODUCERS YTD

- | | |
|---------------------------------------|---------------------------------------|
| 1. Mercer Health & Benefits LLC | 11. Washington Insurance Group Inc |
| 2. C T Hellmuth & Associates Inc | 12. Aaron Davis |
| 3. Howard R Board Jr | 13. Benefit Planning Group |
| 4. RCM&D | 14. Becker Benefit Group Inc |
| 5. Kelly & Associates Insurance Group | 15. Bolton Partners Inc |
| 6. Silberstein Insurance Group | 16. Central Maryland Insurance Agency |
| 7. RSM McGladrey Insurance Services | 17. Early Cassidy & Schilling Inc |
| 8. Insurance Solutions | 18. John Mason |
| 9. Meltzer Group Inc | 19. Willis of Maryland |
| 10. Kerry A Ostrominski | 20. Colin Romine |

CareFirst BlueCross BlueShield Responds to Competitive Marketplace with Rating Adjustments (Sales Flash release date: May 11, 2006).

Market: MD Parity, DC & VA Small Groups

Effective August 1, 2006, CareFirst BlueCross BlueShield (CareFirst) implemented new rating discount factors for all new small group business. We made these changes after receiving valuable feedback from our Broker Council and the broker community.

EFFECTIVE AUGUST 1, 2006 - MD Parity, DC & VA Small Groups

- Additional discounts based on Standard Industry Codes (SIC) are being offered for new groups. This additional discount can go as high as 10%. This is valid for the remainder of 2006.

The following SICs are eligible for additional discounts:

- A reminder that Point-of-Enrollment (POE) groups will get a factor of 1.000.

We have discounted the rates for Non-POE groups by 2%.

- MD Parity HSA/HRA new business rates were reduced by an additional 10 % effective August 1, 2006.

CareFirst BlueCross BlueShield		
Small Group SIC Rating Factors Effective August 1, 2006		
Jurisdiction: Virginia, DC and MD Parity		
SIC2 Code	Description	Rating Factor
31	Leather Manufacturers	-5%
41	Local & Interurban Passenger Transit	-5%
53	General Merchandise Stores	-5%
54	Food Stores	-5%
56	Apparel & Accessory Stores	-5%
57	Furniture & Home Furnishing Stores	-5%
59	Miscellaneous Retail	-5%
67	Holding & Other Investment Offices	-5%
84	Museums, Botanical, Zoological Gardens	-5%
48	Communication	-10%
60	Banking & Credit Agencies	-10%
61	Banking & Credit Agencies	-10%
73	Business Services	-10%
82	Educational Services	-10%
87	Engineering and Management Services	-10%

EFFECTIVE July 1, 2006 - MD Parity, DC & VA Small Groups

MSGR BlueChoice and BluePreferred:

- All MSGR products with an inpatient copay were reduced by 10%.
- DC Metro (PG and Montgomery counties) geo factor was lowered; applicable to medical, drug, dental and vision. This equates to approximately a 3% price reduction.
- Medical or Rx rates did not increase.

DC 1-50 & VA 1-50:

- New business discount remains in effect and unchanged at 17.5%.
- CareFirst BlueChoice (BlueChoice) or Group Hospitalization and Medical Services, Inc. (GHMSI) Medical or Rx rates did not increase.
- CapitalCare Medical or Rx rates did not increase.
- Renewal cap increased from 16% to 18%.

MD Parity:

- HSA/HRA and BluePreferred Options 14-19 new business rates were reduced by 10%.
- BlueChoice or GHMSI Medical or Rx rates did not increase.
 - BlueChoice HMO Option 1
 - BlueChoice HMO Option 5
 - BlueChoice HMO *Open Access* Option 1

We hope these additional rate reductions/discounts assist you in your efforts to sell and retain business with CareFirst and CareFirst BlueChoice. You will find that our HSA/HRA products are very competitive.

Please contact your Broker Sales Representative for more information. They will be extremely pleased to assist you in your sales efforts.

2006 Broker Council

The CareFirst Broker Council is comprised of approximately 20 experienced health insurance brokers representing Maryland, Virginia and the District of Columbia. The Council meets quarterly, and each meeting provides valuable input to CareFirst. By identifying the issues and concerns of the broker community, CareFirst is able to respond more effectively as well as offer enhanced products that enable brokers to increase sales.

Broker Council Meeting- March 31, 2006

Shekar Subramaniam, Associate Vice President of Broker Sales, kicked-off the first Broker Council meeting held on March 31, 2006 in Columbia, MD.

Open Discussion:

1-50 Marketplace

There was a lively discussion surrounding the 1-50 marketplace. Members of the Broker Council provided valuable input.

Third and Fourth Quarter Changes

Shekar Subramaniam addressed third and fourth quarter proposed rate and product changes.

Rate Comparison Chart

Nicole Morin, Product Manager shared the new Rate Comparison Chart with brokers.

On-line Enrollment

Jack Nelson, Vice President of Service Administration discussed on-line enrollment. CareFirst representatives agreed to regroup to discuss this important topic and report back to the Council.

Tiered Networks

Rebecca Pearce, Product Director discussed the BlueChoice Advantage and BlueChoice Select networks project.

Broker Council Meeting- June 30, 2006

Shekar Subramaniam, Associate Vice President of Broker Sales, kicked-off the Broker Council meeting held on June 30, 2006.

Open Discussion:

On-line Enrollment

Jack Nelson, Vice President of Service Administration, led a discussion on the Under 50 on-line enrollment and handed out a *Web Under 50 Enrollment Overview* document for comments and suggestions.

Temporary ID Cards

Brokers indicated the need for Temporary ID cards. **Jack Nelson, Vice President of Service Administration** assured brokers that this feature will be available soon. CareFirst is targeting the end of third quarter 2006 for the availability to print them from the system.

BlueSelections

Keith Langrehr, Manager of Advertising, distributed hand-outs on BlueSelections Point-of-Enrollment program.

Generic Drug Campaign

Preeti Acharya-McCall, Product Manager discussed the upcoming Generic Drug initiative as a way to reduce care costs.

The Broker Council represents CareFirst's entire distribution network. We strongly encourage you to contact any member of the Council with any questions, comments or concerns you may have.

Broker Council Representatives

2006 Broker Council Representatives *(new members in bold)*

Paul Brooks
Brooks Financial Group
108 W. Timonium Road, #300
Timonium, MD 21093
(410)308-9800
fax (410)308-9801
pbrooks@brooksfinancial.com

Robert Ellis
Consolidated Insurance Center, Inc.
11403 Cronridge Drive, #270
Owings Mills, MD 21117
(410)356-9500
(410)654-8886
bellis@netrax.net

Stu Johnson
BenefitMall
10540 York Road
Cockeysville, MD 21030
(410)667-2618
(410)683-0924
stuartj@benefitmall.com

Francis X. Kelly, III
Kelly & Associates Insurance Group Inc.
301 International Circle
Hunt Valley, MD 21030
(410)527-3400
(410)785-6877
fxkelly@kaig.com

Gregory Mayer
Group Insurance Solutions
401 Washington Avenue
Towson, MD 21204
410-828-5290
gmayer@getgisi.com

Jack Abel
The Meltzer Group, Inc.
6500 Rock Spring Drive, #400
Bethesda, MD 20817
(301)581-7300
jack@meltzer.com

Linda DeVincent
Keller Benefit Services
7316 Wisconsin Avenue, #400
Bethesda, MD 20814
(301)652-3650
ldevincent@k-b-s.com

Mike Donahoe
M. T. Donahoe & Associates
7160 Columbia Gateway Drive, #300
Columbia, Maryland 21046
(800)231-1559; (800)231-4158
mdonahoe@cbiz.com

John Gardner
Potomac Basin Group Associates
4740 Corridor Place, Suite B
Beltsville, MD 20705
(301)937-0422
jgard@potomacbasin.com

Jim Laverty
Mullaney Insurance
405 Academy Street, #389
Cambridge, MD 21613
(410)376-3845
jlaverty@mullaneyinsurance.com

Catherine Mock
Select Benefit Services Inc.
170 W. Patrick Street
Frederick, MD 21701
(301)846-9900
(301)846-9925
cmock@sbs-incorp.com

Rob Poli
Insurance Marketing Center
6101 Executive Blvd., Suite 120
Rockville, MD 20852
(301)468-8891; cell (301)325-9610
rob@imctr.com

Mark Sager
Benefit Partners LLC
6430 Rockledge Drive, #504
Bethesda, MD 20817
(301)530-8499
(301)530-8470
marks@benefitpartners.us

(continued)

Broker Council Representatives

2006 Broker Council Representatives *(new members in bold)*

Mark Khatib
Employee Benefits Corporation of
America
1410 Spring Hill Road, #301
McLean, Virginia 22102
(703)760-0707; fax (703)760-0712
mkhatib@ebca.com

Joe Mandeville
Early Cassidy & Schilling Inc.
1375 Piccard Drive #375
Rockville, MD 20850
(301)948-5800
(240)864-8115
mandevilleja@ecsinsure.com

Sheila Pinion
Pinion Financial Services, LLC
6931 Arlington Road, #304
Bethesda, MD 20814
(301)652-4000
pinion@pinionfinancial.com

Christine Pulford
Hilb Rogal Hamilton Co.
800 King Farm Blvd., #200
Rockville, MD 20850
(301)948-5900
(301)692-4474
pulford@hrh.com

Kathy Simmons
Group Benefit Services
6 North Park Drive, #310
Hunt Valley, MD 21030
(410)832-1300
ksimmons@gbsio.net

Suzanne Thompson
Heritage Financial Consultants, LLC.
1300 York Road, #200
Lutherville, MD 21093
(410)339-6900
(410)339-6660
sthompson@lnc.com

Howard Weitzman
Benefit Design Group
409 Washington Avenue, #711
Towson, MD 21204
(410)494-0010
(410)494-0456
hweitzman@benefitdesigngroup.com

Paul Zajac
Patuxent Insurance Group LLP
10715 Charter Drive, Suite 130
Columbia, MD 21044
(410)992-5700
(410)992-7577
pzajac@patuxentinsurance.co

Marc Schaefer
Schaefer Financial Group
6901 Rockledge Drive, #800
Bethesda, MD 20817
(301)214-6790
(301)214-6792
marc@sfgroup1.com

Nancy Thompson
CBIZ Benefits & Insurance Services
Columbia, MD 21046
(800-344-2954
(301)937-5059
nthompson@cbiz.com

BlueFund News

We are pleased to announce that new CareFirst BlueChoice CDH plans for MSGR, DC and VA were introduced on July 1, 2006.

The following products launched on July 1, 2006 with an effective date of September 1, 2006.

- BlueChoice HMO (HSA/HRA) and BlueChoice Opt-Out *Plus* (HSA/HRA) for DC and VA
- BlueChoice HMO (HSA) and BlueChoice Opt-Out *Plus* (HSA) for MSGR

BlueChoice CDH plans with options not subject to Maryland Small Group Reform (Non-MSGR) have been delayed pending regulatory approval.

Please remember that all paperwork must be completed properly and submitted no later than the posted Account Installation deadlines. Failure to do so will result in a delay in setting up the HSA for these groups.

CareFirst is also extremely pleased to announce that we have created a new flyer for brokers to assist CDH sales efforts and provide information on why an employer should select BlueFund.

The “Why BlueFund” Flyer is available through your Wholesaler, Broker Representative, or the Sales Electronic Ordering System.

Additional BlueFund Tools

We would also like to remind you of the following BlueFund tools designed by CareFirst and CareFirst BlueChoice to help your accounts understand the complexities of CDH plans:

- The BlueFund FAQ Document can also be found at www.carefirst.com, under the “Solution Center.”
- BlueFund HSA Cost Example Account Insert (CUT6617-1S)
- The new BlueFund Tool Kit is now available online, through your Broker Representative, your Wholesaler or through Broker Express at www.carefirst.com.
- BlueFund HRA Cost Example Account Insert (CUT6612-1S)
- BlueFund Account Folder (FOL5087-9S)
- BlueFund HSA Revolutions Member CD-Rom
- CDH HSA Receipt Organizer (PRM9226-9S)

Please contact your Broker Sales Representative for more information, or if you would like copies.

Editor: Larakay Anderson

10455 Mill Run Circle
Owings Mills, Maryland 21117

www.carefirst.com



The care you need will change. The best way to get it won't.

CareFirst BlueCross BlueShield is the shared business name of CareFirst of Maryland Inc. and Group Hospitalization and Medical Services, Inc. CareFirst BlueCross BlueShield and CareFirst BlueChoice, Inc. are independent licensees of the Blue Cross and Blue Shield Association.

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