



P. O. Box 14556, Des Moines, Iowa 50306-3556  
National Headquarters – Omaha, Nebraska  
Customer Service • 1-800-786-7557

**By Federal Express**

January 9, 2013

The Honorable John M. Huff, Director  
Missouri Department of Insurance  
301 West High Street, Room 530  
Jefferson City, Missouri

Re: World Insurance Company, NAIC #70629  
Notice Pursuant to Missouri Insurance Code Section 379.938(1)(7) and Title XXVII of the Public Health Services Act and the Health Insurance Portability and Accountability Act of 1996, 42 U.S.C. Section 300gg-12(c)(2)(A)

Dear Commissioner Huff:

Pursuant to Missouri Insurance Code Section 379.938(1)(7) and Title XXVII of the Public Health Services Act and the Health Insurance Portability and Accountability Act of 1996, 42 U.S.C. Section 300gg-12(c)(2)(A), please accept this letter as formal notice of World Insurance Company's ("World") decision to discontinue and non-renew all small employer group medical benefit plans and withdraw from the small employer group medical insurance business in the State of Missouri. World currently insures two (2) small employer groups in Missouri. Notice is also being sent to the Texas Commissioner, as one insured covered under a Missouri policy resides in the State of Texas.

An advance 180-day notice written notice will be provided of World's intent to discontinue and non-renew coverage to small employer group medical insurance policyholders by letter on or before February 1, 2013. Coverage will end on July 31, 2013.

Attached is a draft of the written notice that will be mailed to small employer group medical insurance policyholders and covered persons of World. This group coverage is provided through a group policy issued to a trust in another state that does not require the option of individual conversion policies.

Our records indicate that World's withdrawal from the group medical insurance market in Missouri will affect approximately six (6) covered lives based on enrollment as of December 31, 2012. World acknowledges that it may not issue any coverage in the group medical insurance markets of Missouri during the five-year period beginning on the date the last group medical insurance coverage is non-renewed.

World will continue to service all affected covered individuals through the withdrawal and during any required runoff period. During the withdrawal and runoff period, the company will continue to process claims and respond to customer service inquiries in the ordinary course of business. The company will maintain appropriate staff levels to insure a continuation of the same level of service that it has provided in the past.

This letter and the exhibit attached include non-public proprietary information including trade secrets which, if disclosed, could cause severe competitive injury to World. Accordingly, we hereby request confidential treatment be afforded to the documents and information referenced in or attached to this letter to the fullest extent possible pursuant to applicable Missouri law.

Please be advised that this decision is strictly limited to our group medical insurance, and any supplemental riders that may be included in the group medical insurance. It does not in any way impact the continued offering of the company's other products and services including but not limited to short term medical, specific illness, critical illness, short term care, limited benefit, supplemental medical/hospital indemnity, basic medical expense, home healthcare, accident and Medicare Supplemental. World previously exited the individually underwritten comprehensive medical market in 2011.

We thank you for your cooperation in working with World through this transition. We will be happy to work closely with your Department in anticipation of, and response to, questions you may receive from customers of World. If you or your staff have any questions or would like any additional information regarding our exit from the small employer group medical insurance market in Missouri or if we can otherwise facilitate your review of the attached materials in any way, please do not hesitate to contact Sarah Shives at our toll-free number, 1-800-247-2190, ext 2083, or by email at [sarah.shives@americanenterprise.com](mailto:sarah.shives@americanenterprise.com).

Sincerely,

A handwritten signature in black ink, appearing to read "Tim Hall", written in a cursive style.

Tim Hall  
Senior Vice President and General Counsel

## **WORLD NOTICES TO POLICYHOLDERS AND COVERED PERSONS**

See attached for sample notices.

DRAFT

February 1, 2013

«Customer Name»  
«Addr1»  
«Addr2»  
«Addr3»  
«Addr4»

RE Account Number: <<Account>>  
Non-Renewal of Group Medical Insurance

### **IMPORTANT NOTICE REGARDING YOUR EMPLOYER-SPONSORED GROUP MEDICAL COVERAGE**

We are writing to inform you of a decision World Insurance Company (“World”) has made regarding small employer group medical insurance in Missouri.

Like all companies, we continually monitor our business strategy to ensure a competitive presence in the rapidly changing insurance market. During a recent review of our overall business, the difficult decision was made to exit the group medical insurance business in your state.

#### **What This Means to You**

Coverage will terminate on July 31, 2013. If your group’s medical insurance policy has a policy anniversary date prior to July 31, 2013, you are entitled to renew your policy with us for a term ending on July 31, 2013. We will not renew any group medical insurance policies in Missouri after July 31, 2013. Any supplemental riders that may be included in the medical insurance will also terminate on July 31, 2013. Our decision to exit the small employer group medical insurance market in Missouri will have no impact on the other coverages that we offer, including but not limited to short term medical, specific illness, critical illness, long term care, short term care, limited benefit, supplemental medical/hospital indemnity, basic medical expense, home healthcare, accident and Medicare Supplemental.

#### **Your Rights**

There are some important points for you, your employees and their covered dependents to consider:

- **Guarantee Issue** – Medical insurance is available on a guaranteed issue basis to all eligible small employers from any insurance carrier actively marketing small employer coverage in Missouri.
- **Effective Date** – Your group medical insurance policy will terminate on July 31, 2013. Claims incurred on or after this date will not be covered. Your group medical insurance policy may terminate sooner if, for example, you fail to pay required premium when due. We can arrange for an earlier termination date to coincide with the effective date of any new or replacement coverage you purchase.
- **Claims** - World will not be liable for claims beyond the policy termination date. If you continue to collect employee contributions after the termination date, you as the employer may be liable.

- **Communications** – Covered employees and their covered dependents are required to be notified of the date of non-renewal of your group coverage. To help satisfy that requirement, we are enclosing an employee notice for you to distribute to each person covered under your group medical policy. We will also be sending a copy of such notice directly to such employees and covered dependents within the next month.

### **Our Commitment**

We understand this change may cause some concern. Rest assured that World will continue to serve you until our withdrawal from the small employer group medical insurance market in Missouri has been completed. During this period, we will continue to process claims and respond to customer inquiries as we have always done.

If you have questions, please contact your agent or call World toll-free at 1-800-786-7557.

Sincerely,

Michael E. Abbott  
President and Chief Executive Officer  
World Insurance Company

DRAFT

February 1, 2013

«Customer Name»

«Addr2»

«Addr3»

«Addr4»

Re: Non-Renewal of Group Medical Insurance

**EMPLOYEE NOTICE OF NON-RENEWAL OF GROUP MEDICAL INSURANCE**

The purpose of this notice is to advise you that World Insurance Company will no longer be offering small employer group medical insurance in the State of Missouri. This means that effective July 31, 2013, World Insurance Company will no longer be in a position to provide group medical insurance benefits to you and your company. Your group medical insurance will not cover claims incurred after the expiration of coverage.

Your employer has been notified that medical insurance will end for the entire group policy as described above. You should ask your employer whether it will be replacing World's group medical insurance, or if you will need to make arrangements for replacing the medical insurance yourself. If you are insured under supplemental riders as part of the medical policy, this coverage will also be terminating.

**Additional Information**

Your employer has been supplied with additional information regarding this change. For any questions, you may contact us by calling 1-800-786-7557.

Sincerely,

Michael E. Abbott  
President and Chief Executive Officer  
World Insurance Company

DRAFT

February 1, 2013

«Customer Name»

«Addr1»

«Addr2»

«Addr3»

«Addr4»

Re: Non-Renewal of Group Medical Insurance

**[Sample Notice for Beneficiaries]**

**IMPORTANT NOTICE ABOUT YOUR MEDICAL COVERAGE**

You have group medical insurance coverage with us as a covered dependent or spouse under a medical insurance policy or certificate of coverage issued by World Insurance Company. We recently sent the certificate holder an important notice affecting your coverage. The notice explains that effective July 31, 2013, World Insurance Company will no longer be in a position to provide group medical insurance benefits to you. Your group medical insurance will not cover claims incurred after the expiration of coverage. If you are insured under any supplemental riders as part of the medical policy, this coverage will also terminate. For questions, you may contact us by calling 1-800-786-7557.

Sincerely,

Michael E. Abbott  
President and Chief Executive Officer  
World Insurance Company