

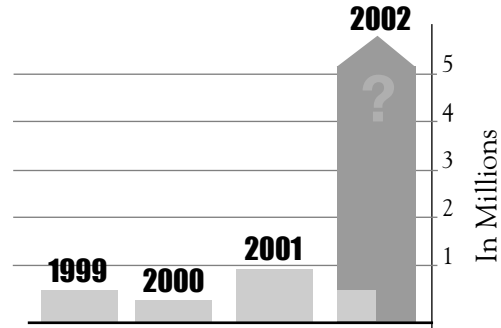


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“Disenrollment Opportunities Get Renewals Rising Fast!”

Medicare+Choice Disenrollment Opportunities

M+C plan pullouts and reductions have affected 1.7 million beneficiaries since 1999. Hundreds of thousands more will be dropped by their plans for 2002. The additional potential for millions of disenrollments also may be realized as M+C companies move many of their remaining 5.1 million customers voluntarily to other plans.



Source: For 1999 and 2000—Medicare Payment Advisory Commission
 For 2001—Health Care Financing Administration
 ■ Involuntary Disenrollments ■ “Voluntary” Disenrollments

The Medicare+Choice program has been recognized by nearly all as a failing program. There are approximately 5.6 million Medicare+Choice customers nationally, and just over a half-million are disenrolling involuntarily due to HMO withdrawals. As for the balance of Medicare+Choice participants, I believe the potential for “voluntary” disenrollments is tremendous. By “voluntary” disenrollments, I mean Medicare+Choice customers who are not disenrolled formally but are encouraged to take advantage of one or more of the following three options:

- a new Medicare private fee-for-service within the existing company’s organization,
- traditional Medicare Supplement plans sold by the same company which currently manages the HMO,
- brokerage arrangements formed with outside Med-Supp companies.

The charts on this page outline 2002 HMO withdrawals (below) and the total disenrollment opportunity (left). There could be millions of additional voluntary and involuntary disenrollments over the next twelve months or more.

More than ever, there is a need to increase recruiting and motivate ourselves to grow in-force renewals before the year is over. We should take advantage of the increased interest from concerned Seniors who are questioning their health coverage in every state. The time is now...motivate to dominate!

2002 Involuntary HMO Withdrawals

State	Number of Affected Counties	Plan Name	Number of Beneficiaries Affected	State	Number of Affected Counties	Plan Name	Number of Beneficiaries Affected
Alabama	1	The Oath of Alabama, Inc.	2,733	Michigan	18	Blue Care Network- SE MI	16,940
Arkansas	11	United Healthcare of Arkansas, Inc.	7,150			Health Alliance Plan of Michigan	1,592
		HMO Partners/Health Advantage	9,691			Selectcare HMO, Inc.	4,635
Arizona	2	AETNA U.S. Healthcare, Inc.	6,003			MCare	8,279
		Pacificare of Arizona, Inc.	4,906	Missouri	4	Blue Cross Blue Shield of Kansas City	4,965
California	22	Blue Cross of California	1,676	Mississippi	79	Sterling Life Insurance Company	1,042
		Pacificare of CA/Secure Horizons	35,797	New Jersey	17	AETNA U.S. Healthcare, Inc.	38,383
		Health Net of California	19,870			AmeriHealth HMO, Inc.	11,333
		AETNA U.S. Healthcare of CA, Inc.	4,931			Oxford Health Plans (NJ), Inc.	2,926
		California Physicians Service/BS of CA	11,787			Americhoice of NJ, Inc.	502
		Inter Valley Health Plan, Inc.	561	New York	9	Oxford Health Plans (NY), Inc.	13,885
		National Med, Inc.	9,012			Health Net of NY	424
Colorado	5	HMO Colorado, Inc.	9,250			HIP of Greater New York	1,281
Connecticut	4	Connecticare, Inc.	24,438	Ohio	18	United Healthcare of Ohio, Inc.	2,176
		Medspan Health Options, Inc.	14,347			Renaissance HMO, Inc.	4,159
Delaware	3	Blue Cross Blue Shield of DE, Inc.	815			Family Health Plan, Inc.	5,579
Florida	15	Beacon Health Plans, Inc.	2,178			Community Health of Ohio	1,554
		United Healthcare of Florida, Inc.	14,364			Health Plan of Upper OH Valley	525
		AV-MED Health Plan, Inc.	4,836	Oklahoma	15	Pacificare of Oklahoma, Inc.	804
		Health Options, Inc.	37,970			Community Care HMO, Inc.	1,714
Georgia	1	Kaiser Foundation HP of GA, Inc.	348	Oregon	1	Pacificare of Oregon, Inc.	442
Hawaii	4	Humana Health Plan, Inc.	2,666	Pennsylvania	8	AETNA U.S. Healthcare, Inc.	54,561
Illinois	2	United Healthcare of Illinois, Inc.	32,775	Texas	30	Pacificare of Texas, Inc.	25,262
		Humana Health Plan, Inc.	7,764			Texas Health Choice, L.C.	19,236
Indiana	4	Humana Health Plan, Inc.	1,842			Sterling Life Insurance Company	1,479
		Advantage Health Plan, Inc.	2,175	Washington	2	Pacificare of Washington, Inc.	933
Kansas	3	Blue Cross Blue Shield of Kansas City	1,952			Premera Blue Cross	9,967
		Preferred Plus of Kansas, Inc.	4,813	Wisconsin	8	BCBS United of Wisconsin	10,366
Kentucky	3	Humana Health Plan, Inc.	12,041	West Virginia	3	Health Plan Of the Upper Ohio Valley	18
Massachusetts	1	Fallon Community Health Plan, Inc.	12	Out of Area			2,804
				Total Disenrolled			536,469