



**URGENT NOTICE!!!**

May 10, 2004

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Re: Your Home Health Care Policy  
Policy Number: FLD008

Dear Policyholder:

This is an **URGENT NOTICE** to all Home Health Care Policyholders of Conseco Senior Health Insurance Company ("Conseco Senior") in Florida concerning choices you will be asked to make about your home health care policy. The purpose of this letter is to inform you about the choices that will be offered to you in the future. **YOU DO NOT NEED TO TAKE ANY ACTION AT THIS TIME. THIS IS ONLY A GENERAL NOTICE. YOU WILL RECEIVE AN ELECTION NOTICE AT A LATER DATE (sometime after June 15, 2004).**

**Background**

Because payments from the company for policyholder benefits on these policies have significantly exceeded the premiums received from policyholders, Conseco Senior petitioned the Florida Office of Insurance Regulation to address this situation. The Florida Office of Insurance Regulation conducted a public hearing in Davie, Florida on March 5, 2004 in which input from policyholders was invited and received, and also reviewed the complete record of documents and representations submitted by Conseco Senior, policyholders and other interested persons. Based on this review process, on April 20, 2004 the Florida Office of Insurance Regulation ordered Conseco Senior to provide you with three options regarding your home health care policy. All Home Health Care policyholders that received notice of the March 5, 2004 Public Hearing and/or had an in-force Conseco Senior Home Health Care policy as of February 22, 2004 will be provided these three options, even if the policy subsequently lapsed or was terminated. Below is a summary of the three options you will be offered.

**Option 1: Retain Your Current Policy**

You may retain your current policy and keep your existing benefits. If you choose this option, your premiums will increase by 50%, after we provide you with 90 days' advance written notice. Future premium increases are also anticipated, subject to approval by the Florida Office of Insurance Regulation. If you choose to retain your current policy and it later lapses, you will be entitled to a "non-forfeiture benefit" equal to 100% of all premiums you have paid, less any claim benefit payments you have received. A "non-forfeiture benefit" is a fixed-dollar amount that will be held by Conseco Senior for your benefit to pay future claims. You can access this non-forfeiture benefit by filing a claim with Conseco Senior just as you would file a claim under your original Home Health Care Policy.

**Option 2: Choose the Replacement Policy**

You may choose the replacement policy that has modified benefits. The replacement policy will be different from your current policy in the following ways: (1) the restoration of benefits provision will be removed; (2) eligibility for benefits will require a Licensed Health Care Practitioner to certify that (a) you are unable to perform, without substantial assistance from another individual, at least two activities of daily living for a period of at least 90 days due to a loss of functional capacity or (b) that you require substantial supervision for protection from threats to health and safety due to severe cognitive impairment; (3) elimination periods will be for a minimum of 20 days; and (4) if you currently have a "lifetime benefit" policy, your benefit period will be converted to seven years.

If you choose the replacement policy, your premiums will increase by no more than 25% in the first year. Future rate increases on the replacement policy will not exceed 15% per year for the life of the policy. Any future rate increases are subject to approval by the Florida Office of Insurance Regulation. If the replacement policy lapses, you will be entitled to a "non-forfeiture benefit" equal to 100% of premiums paid, consistent with Option 3 below.

**Option 3: Select the Contingent Non-Forfeiture Benefit**

You may exchange your current policy for a "non-forfeiture benefit" equal to one hundred percent (100%) of all premiums paid. Unlike Option 1, the non-forfeiture benefit under this option does not deduct claim payments. You can access this non-forfeiture benefit by filing a claim with Conseco Senior just as you would file a claim under your original Home Health Care Policy. If you accept this option, you will not have to pay any more premiums.

**What will happen next?**

Conseco Senior will mail you an Election Notice form at least 90 days before your next premium due date and provide you with a return envelope. At that time, you will need to choose one of the three options and notify Conseco Senior in writing of your choice within 90 days of receiving the Election Notice form. **IF YOU DO NOT ELECT AN OPTION AT THAT TIME, YOU WILL AUTOMATICALLY RECEIVE OPTION 1.**

You may obtain a complete copy of the Florida Order and a list of "Frequently-Asked Questions" by visiting the Florida Department of Financial Services web home page at [www.fldfs.com](http://www.fldfs.com). Once there, click on the "Conseco Senior Health Insurance Company Order" link located on the right-hand side of the home page. This link will allow you to view the Florida Order, a copy of this GENERAL NOTICE, and a list of Frequently-Asked Questions to assist you in understanding how the Florida Order affects your Home Health Care Policy.

If you have specific questions about your policy, you may call us at our toll-free telephone number below or if you have any questions regarding this GENERAL NOTICE you may call the Florida Department of Financial Services Consumer Helpline also listed below.

Sincerely,

Conseco Senior Health Insurance Company  
Home Health Care Services Center

Conseco Senior Home Health  
Care Services Center  
Phone: (800) 493-3286  
Hours: 7 a.m. - 5 p.m. (EST), M-F  
After Oct. 31, 2004 -  
8 a.m. -6 p.m. (EST), M-F

Florida Department of Financial  
Services Consumer Helpline  
Phone: (800) 342-2762 within FL  
(850) 413-3131 outside FL  
Hours: 8 a.m.-7 p.m. (EDT), M-F

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