

FREQUENTLY ASKED QUESTIONS

Background Questions:

Why am I receiving this communication?

The Cigna Group (“Cigna”) has sold its Medicare business to Health Care Service Corporation, a Mutual Legal Reserve Company (“HCSC”), the largest customer owned health insurer in the United States. Accordingly, we are transitioning the Medicare Supplement policies issued by Cigna Health and Life Insurance Company (“CHLIC”), a Cigna affiliate, to Medco Containment Life Insurance Company (“MCLIC”), which is now an HCSC affiliate. You are receiving this offer to transfer your policy to MCLIC. Your Medicare Supplement policy is guaranteed renewable and will remain in force. The benefits, terms and conditions will remain unchanged if you transfer to MCLIC or remain with CHLIC. Regardless of the option you choose, both MCLIC and CHLIC policies will be administered by HCSC and its affiliates. As a result, you will experience the same high level of customer service.

What actions do I need to take?

You need to review the information in this Notice of Transfer package and then either consent or reject the transfer from CHLIC to MCLIC by selecting the appropriate option on the response card enclosed in this transfer packet and return the postage paid response card as soon as possible. You may also elect to consent to the transfer by using our digital consent portal, which you can access by typing the following URL into your internet browser: <https://cignamedsupp.com/respond>

What information is included in the Notice of Transfer packet?

This transfer packet contains the official notice of transfer, a response card, and four attachments that provide additional financial information about each company.

Who is Medco Containment Life Insurance Company?

MCLIC is a wholly owned subsidiary of HCSC and has agreed to replace CHLIC as your insurer for your Medicare Supplement Policy.

Who is HCSC and how are they involved with my policy?

Health Care Service Corporation, a Mutual Legal Reserve Company (HCSC) is a company that has purchased Cigna’s Medicare-related business, including its Medicare Supplement business and the MCLIC entity and will service the Medicare Supplement policies that are issued by CHLIC. HCSC is the largest customer-owned health insurer in the US, serving over 26 million customers.

Will HCSC’s purchase of Cigna’s Medicare businesses affect my policy?

MCLIC (including its Medicare Supplement policies) was acquired by HCSC effective March 19, 2025, and is now part of the HCSC group of companies. MCLIC will continue to administer the Medicare Supplement policies that are issued by CHLIC. However, your coverage, benefits, and services under the policies through both MCLIC and CHLIC will remain the same consistent with federal and state law. Also, our goal is to provide the same level of customer experience that you have come to expect.

Why did The Cigna Group sell their Medicare Businesses to HCSC? Why is the transition to HCSC a good thing for me, a Cigna Medicare Supplement customer?

This is a very positive development for Cigna Medicare Supplement customers. The Cigna Group carefully chose HCSC to best position its Medicare businesses for continued growth and innovation, and we will continue to serve the needs of our valued customers.

- HCSC is a mission-driven, member-focused organization.
- HCSC is committed to the Medicare space and providing members with access to quality care in all stages of their lives.
- We are excited about this focus and commitment and believe it will benefit customers.
- Our goal is to provide the same level of customer experience that you have come to expect.

Medicare Supplement policies are Guaranteed Renewable for the lifetime of the policyholder. Does the sale to HCSC impact this?

No. Medicare Supplement plans are guaranteed renewable, meaning that an issuer shall neither cancel nor non-renew a Medicare supplement policy or certificate for any reason other than nonpayment of premium or material misrepresentation. The sale of the Cigna Medicare Supplement business to HCSC will have no impact on guaranteed renewability.

General Questions:

Will the same Customer Service team that helped me with policy questions previously stay the same?

Yes, the same Customer Service team that helped you previously will continue to help you with questions regarding your policy.

Will my coverage with CHLIC change with the transfer to MCLIC?

No, your coverage will not change. You will retain the same benefits associated with the plan you are enrolled in today.

Will I be able to continue seeing the same providers that I do now?

Yes, you can continue seeing the same providers you do now.

Will my rates change if I consent to transfer my policy to MCLIC, or because MCLIC is now owned by HCSC?

No, your rates will not change due to the transfer of your policy from Cigna Health & Life Insurance Company ("CHLIC") to Medco Containment Life Insurance Company ("MCLIC") nor will the sale of MCLIC to HCSC change your rates. However, you will continue to receive your regular annual premium rate change and will be notified as you are today when rate changes go into effect.

If I am enrolled in a high deductible plan, does my plan deductible start over as a result of the transfer?

If you are enrolled in a high deductible plan such High Deductible Plan F or G, your plan deductible will not start over.

Will this impact the payment of recent claims under CHLIC?

No, the transfer will not impact claims which will continue to process as they do today.

Will this transfer impact the Household Discount I receive?

No, the transfer will not result in any changes to your Household Discount.

What can I expect once I consent to the transfer?

Once you consent to the transfer, we will begin the transfer process. There will be no disruption to your service. Once your policy is transferred to MCLIC, you will receive a MCLIC ID card and a Certificate of Assumption, which will serve as your new policy.

When will the transfer occur?

Transferring your coverage to MCLIC will begin once you have consented to the transfer. In some states, we may be permitted to transfer you if we have not received your response within the allotted consent period. Please refer to your Notice for further information on the consent period.

Do I have to update my bank draft? Are there any changes to billing?

After your transfer to MCLIC, your current bank draft will apply to MCLIC.

Will I need a new ID card?

While your CHLIC ID card will continue to work, we will also mail you a MCLIC ID card to confirm the transfer.

Will the same health insurance agent who helped me buy my original Medicare Supplement plan stay the same?

Yes, you may continue to work with the same agent.

If I elected to keep my policy with CHLIC versus moving to MCLIC, what would happen to my policy?

Your policy will remain insured by CHLIC; however, MCLIC will service your policy, and our goal is to provide the same level of customer experience that you have come to expect.

Will MCLIC policies transition to HCSC upon close?

MCLIC (including its Medicare Supplement policies) was acquired by HCSC effective March 19, 2025, and is now part of the HCSC group of companies. MCLIC will continue to administer the Medicare Supplement policies that are issued by CHLIC. However, your coverage, benefits, and service under the policies through both MCLIC and CHLIC will remain the same consistent with federal and state law. Also, our goal is to provide the same level of customer experience that you have come to expect.

Questions about the exhibits included in the Notice of Transfer packet:

What does liability surplus and other funds mean?

Surplus and other funds represent the excess of assets over the liabilities. The greater the surplus per policy and other funds, the stronger a company's financial strength.

What is the Management Discussion and Analysis?

Management discussion and analysis (MD&A) is a section of a public company's annual report or quarterly filing. The MD&A addresses the company's performance.

What is the purpose of an investment portfolio?

All companies make investments which enable them to meet their obligations to their customers, like paying claims, for instance.

What is a financial strengths rating in Exhibit 1?

S&P Global Ratings represents an independent opinion of a company's overall creditworthiness and financial Strength. A.M. Best ratings represent an independent opinion of a company's financial strength and ability to meet its obligations to policyholders. An AM Best rating of A (Excellent) is the third highest rating out of 13 ratings. It is assigned to insurance companies that have, in A.M. Best's opinion, an excellent ability to meet their ongoing insurance obligations. S&P's rating of Not Rated (NR) simply means that a rating has not been assigned at this time. It's not a reflection of creditworthiness. A.M. Best and S&P are two of the world's largest independent credit and financial strength rating companies.

If I still have questions:

What telephone number should I call for questions regarding the transfer or if I need help understanding the information contained in the notice?

You may call 888-300-3713 for questions related to the transfer from CHLIC to MCLIC.