



November 2019

Update on Group Universal Life insurance premiums

You should have recently received a notice from Cigna regarding premium increases that will apply starting January 1. We're reaching out with some additional background information about your Group Universal Life (GUL) insurance premiums. Even though the GUL program is no longer offered by HP, we have continued to work with Cigna wherever possible to minimize premium increases for former HP employees who elected to continue coverage on their own. We hope the information below will help you as you assess your coverage needs.

Rate increases from Cigna effective January 1

Despite terminating our GUL program in 2002, we have continued to work with Cigna to keep premiums as affordable as possible for former employees who elected to continue GUL coverage directly with Cigna.

After many years of moderate or no increases to premiums, in 2016, Cigna indicated that significant premium increases of more than 75% would be required based on claims payments for the HP population that have far exceeded premiums. After extended negotiations, HP secured Cigna's commitment to limit premium increases to just a 15% increase effective January 1, 2017, with premiums guaranteed to remain unchanged through December 31, 2019.

Now as we approach 2020, Cigna has indicated a significant premium increase of more than 75% will be needed. Although we are limited in our ability to influence reductions to the increase given that we no longer sponsor the GUL program, HP has taken an added step and compared Cigna's proposed rates against the broader insurance marketplace. This market review confirmed Cigna's increase projections, but we were able to persuade Cigna to apply the increase in phases. This means that 50% of the increase will take effect January 1, 2020, and an additional increase of approximately 8% will take effect each year for the next five years. Additional increases are possible based on claims experience, but we are hopeful no further increases will be required. Keep in mind your individual premiums may also increase based on your age.

Contact Cigna if you wish to reduce your GUL coverage

We recognize even phased increases are significant, but we have done everything possible to help mitigate the impact on you and your family. If the increases cause you to consider reducing your coverage amount, you can do so by following the instructions in the notice you received from Cigna, or by contacting Cigna directly at 1-800-828-3485. Your completed *Coverage Change Form* must be received by December 31, 2019, for the changes you have elected to become effective January 1, 2020. If your completed form isn't received by December 31, 2019, your changes will become effective the first of the month following receipt of your completed form.

Best regards,
HP US Benefits Team