

## HM Stop Loss Disclosure Statement

**Instructions** - The Proposed Insured must conduct a Diligent Review of its health plan before completing the Disclosure Statement. The Disclosure Statement must be completed 30 days prior to the Stop Loss Policy effective date and returned to HM Life Insurance Company of New York within five days of completion by the Proposed Insured.

Note - Coverage will be automatically rescinded if the signed Disclosure Statement is not completed and returned to HM Life Insurance Company of New York within the above referenced time frame, unless other arrangements have been made prior to the execution of the application for insurance. All information will be treated as confidential.

To conduct a Diligent Review, the Proposed Insured should contact its producer, claims administrator, utilization review firms, and disability and workers' compensation carriers and any other party who has information regarding its employees to obtain the information requested. As agents for the Proposed Insured, any information these firms possess is deemed to be the Proposed Insured's information as well.

By signing the Disclosure Statement, the Proposed Insured is attesting that all "Known" potential large claimants have been disclosed. A claimant is "Known" if, at the time of the completion of the Disclosure Statement, the Proposed Insured had actual information about the claim or would have had such information if it had conducted a Diligent Review.

A claim will not be considered eligible under the Stop Loss Policy if it is determined that an individual to whom the charges apply and who has met any of the criteria addressed on the Disclosure Statement was not disclosed on the Disclosure Statement. If HM Life Insurance Company of New York chooses to allow coverage for a non-disclosed individual, it will be necessary to re-underwrite the policy terms. In re-underwriting the Stop Loss Policy, if issued, HM Life Insurance Company of New York has the right to take the following actions:

- Revise the Specific and/or Aggregate Stop Loss Rates
- Apply a higher Specific Stop Loss Deductible to the Non-Disclosed individual
- Exclude the Non-Disclosed individual

By completing the Disclosure Statement, the undersigned Proposed Insured warrants that it is unaware of any Shock Loss Claims, Disabled Persons, Special Enrollees or COBRA Participants, other than those listed and/or attached to the Disclosure Statement. In addition, if HM Life Insurance Company of New York requires additional medical information on any individual disclosed, the Proposed Insured agrees to provide access to this information so that HM Life Insurance Company of New York may evaluate the risk and provide final terms. In the event the information the Proposed Insured provides in the Disclosure Statement is untrue or incorrect, or the Proposed Insured fails to disclose information of which it has knowledge at the time it completes the Disclosure Statement, HM Life Insurance Company of New York reserves the right to immediately terminate or limit the terms of coverage, change or modify the premium rates or Deductible Amount(s) or adjust the terms for the Aggregate and/or Specific Stop Loss coverage. If HM Life Insurance Company of New York suffers a liability, loss or expense due to such misstatement or failure to disclose, the Proposed Insured agrees to fully indemnify HM Life Insurance Company of New York.

As used above the term:

"Diligent Review" means a complete review by the Proposed Insured of the underlying health plan for known potential large claimants. A claimant is Known if prior to, or at the time Disclosure is requested, the Proposed Insured had actual information about the claim, or could have reasonably been assumed to have had such information, had it conducted a Diligent Review.

"Known" means information that affects the administration or underwriting of the Stop Loss Policy applied for, which can be reasonably assumed that the Proposed Insured had knowledge of prior to, or at the time of, Disclosure.

"Shock Loss Claims" means any loss that due to the nature of the injury, illness or diagnosis, the Proposed Insured reasonably assumes will result in a significant medical expense in the next 24 months.

"Disabled Person" means an employee who is unable to perform the substantial and material duties of his or her regular occupation for the Proposed Insured, or a dependent who is: (1) confined in a hospital or other treatment facility; (2) unable to perform the activities of daily living; or (3) cognitively impaired.

"Special Enrollee" means a Participant whose past claims have exceeded the plan's lifetime limits.

As of \_\_\_\_\_ (date), the Proposed Insured verifies, to the best of its knowledge, that the information herein is accurate and complete.

Verified by the Proposed Insured:

Authorized Signature \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_

**Full Legal Name of Applicant/Named Insured** \_\_\_\_\_

THIS FORM MUST BE COMPLETED IN ACCORDANCE WITH THE HM LIFE INSURANCE COMPANY OF NEW YORK INSTRUCTIONS ON THE PREVIOUS PAGE. THESE INSTRUCTIONS CLEARLY DEFINE THE TIME FRAMES REQUIRED FOR SUBMISSION OF THE DISCLOSURE STATEMENT TO HM LIFE INSURANCE COMPANY OF NEW YORK.

Each question below must be completed. If the answer is "yes" to any part, please provide details in the space provided or, if necessary, attach another sheet. "Participant" refers to any of the following eligible persons: employee, COBRA participant, retiree or dependent.

1. Have claims on any participant during the last 12 months been incurred and/or paid in excess of 50% of the Specific deductible or \$50,000 (whichever is less)?  Yes  No
2. Are any participants currently, or have they been in the past 30 days, confined to a hospital or other medical facility on multiple occasions or for three (3) or more consecutive days?  Yes  No
3. Are there currently any dependent children over the normal termination age covered by the plan under a disabled or handicapped child extension provision?  Yes  No
4. Other than the individuals already listed, are there other Known potential Shock Loss Claims? Shock losses are defined on the Potentially Catastrophic Diagnosis and High-Cost Drug listing page. (Potential catastrophic claims are any claims filed by claimants who are expected to incur claims that may reasonably be assumed will exceed 50% of Specific deductible in the next plan year. The diagnosis and high-cost drug lists are intended to help the Proposed Insured identify potential catastrophic claims.)  Yes  No
5. Are there any participants who are expected to be absent from work due to disability on the effective date of the Stop Loss Policy coverage?  Yes  No
6. Have any participants been absent from work or unable to perform the normal functions of a person of like age and gender due to disability during the past 30 days; this includes employee sick time, Family Medical Leave or scheduled Leave of Absence?  Yes  No

Full Name (Last, First, MI)	Date of Birth	Diagnosis/ Prognosis/ High-Cost Drug	Beginning Date of Treatment	Amount of Paid Claims (last 12 months)	Amount of Pended Claims

7. Are any participants covered under COBRA, or COBRA eligible?  Yes  No  
Please provide the following information for all eligible COBRA participants (this includes participants that are eligible but have not yet made an election). Please include those participants listed above if applicable.

COBRA Participant	Relationship to Insured	Qualifying Event	Beginning Date	Ending Date

8. If this policy is currently fully insured, are extended benefits available from the prior insurer for presently disabled employees and/or dependents?  Yes  No
9. Are any participants covered as a Special Enrollee, or eligible as a Special Enrollee?  Yes  No  
Please provide the following information for all Special Enrollees and all eligible Special Enrollees (this includes participants that are eligible but have not yet made an election). Please include those participants listed above if applicable.

Special Enrollee	Date of Birth	Re-enrolled (Yes/No)	If "Yes," Date Re-enrolled	If "No," Date Eligible

## EXAMPLES OF POTENTIALLY CATASTROPHIC DIAGNOSES AND HIGH-COST DRUGS

The following diagnosis and high-cost drug lists provide examples of some diagnoses and high-cost drugs that could potentially result in a Shock Claim. Please refer to the instructions on the Disclosure Statement to determine if claimants with the following conditions/high-cost drugs are required to be disclosed to HM Life Insurance Company of New York. Shock losses are injuries, illnesses, diseases, diagnoses or high-cost drugs that are reasonably likely to result in a significant medical expense claim or disability.

### ICD-10 Diagnosis List

<b>A00–B99</b> B17.1–B17.11	<b>Infectious Disease</b> Hepatitis C	<b>O00–O9A</b> O30.10–O30.109 O30.20–O30.209 O60.00–O60.14	<b>Pregnancy, Childbirth &amp; Puerperium</b> Triplet Pregnancy Quadruplet Pregnancy Preterm Labor
<b>C00–D49</b> C00–C14 C15–C26 C30–C39 C43–C44 C50–C50 C51–C68 C69–C72 C81–C96	<b>Neoplasms</b> Malignancies of oral cavity and pharynx Malignant neoplasm of digestive organs Malignant neoplasm of respiratory organs Melanoma Breast Malignancies Genitourinary Malignancies Malignancies of the Nervous System Leukemias, Lymphomas and Myelomas	<b>P00–P96</b> P07.00–P07.36 P22.0	<b>Perinatal Conditions</b> Preterm Infant Respiratory Distress Syndrome of Newborn
<b>D50–D89</b> D57.1 D61.01 D66 D81.0 D82.1 D83.1 D84.1	<b>Hematologic Disorders</b> Sickle Cell Anemia Aplastic Anemia Hemophilia/Hereditary Factor VIII Deficiency Severe Combined Immune Deficiency (SCID) DiGeorge Syndrome Immune Deficiency T Cells (AIDS) Alpha 1-Antitrypsin	<b>Q00–Q99</b> Q20–Q28 Q39.0–Q39.4 Q89.7	<b>Congenital Malformations</b> Congenital Heart Diseases Tracheoesophageal Fistula Multiple Anomalies
<b>E70–E88</b> E75.22 E84.0	<b>Metabolic Disorders</b> Gaucher's Disease Cystic Fibrosis	<b>S00–T88</b> S06.0–S06.9 S12–S14 S88 T07 T20–T32 T79 T86.00–T86.02 T86.00–T86.09 T86.90–T86.92 T86.90–T86.99	<b>Injury, Poisoning and Trauma</b> Brain Injuries Spinal Cord Injuries Amputations Multiple Trauma Injuries Burns Early Complications of Trauma Graft vs. Host Disease Graft vs. Host Disease Complications of Transplants Complications of Transplants
<b>G00–G99</b> G12.21 G61.0 G91.1	<b>Diseases of the Nervous System</b> Lou Gehrig's disease (ALS) Guillain-Barre Syndrome Obstructive Hydrocephalus		
<b>I00–I99</b> I27.0 I42.0–I42.9 I46.9 I60.9	<b>Diseases of the Circulatory System</b> Primary Pulmonary Hypertension Cardiomyopathy Cardiac Arrest Subarachnoid Hemorrhage		
<b>J00–J99</b> J96.00–J96.92	<b>Disease of the Respiratory System</b> Respiratory Failure		
<b>K00–K95</b> K70.0–K74.69 K72.00–K72.91	<b>Diseases of the Digestive System</b> Chronic Liver Disease Liver Failure		
<b>N00–N99</b> N18.1–N18.9	<b>Disease of the Genitourinary System</b> Chronic Renal Failure		

### High-Cost Drugs

A high-cost drug is defined as a drug for which monthly costs exceed \$10,000.

#### Examples:

Avastin	Iclusig	Taltz
Berinert	Kalbitor	Technivie
Cinryze	Kalydeco	Tyvaso
Daklinza	Keytruda	Upravi
Epclusa	Kynamro	Ventavis
Firazyr	Lumizyme	Viekira
Gleevec (imatinib)	Opdivo	Xyrem
H.P. Acthar	Orkambi	Yervoy
Harvoni	Soliris	Zaltrap
Humira	Sovaldi	Zepatier
Ibrance	Stelara	

Conditions leading to use of high-cost drugs may include: enzyme deficiencies (genetic mutations, Hereditary Angio-Edema, Hunter's Syndrome and other), various cancers, Cystic Fibrosis, Multiple Sclerosis, Nephrotic Syndrome, Psoriasis and other inflammatory conditions, Hepatitis C, Hemophilia A, B & C, Hemolytic Uremia Syndrome, MDS, Narcolepsy and Pulmonary Arterial Hypertension.

## ICD-9 Diagnosis List

**001–199 Infectious Diseases & Neoplasms**  
 070 Hepatitis C  
 141–148 Malignancies of the Oral Cavity and Pharynx  
 150-172 Gastrointestinal and Respiratory Cancers, Melanoma  
 174–189 Breast and Genitourinary Malignancies  
 191–199 Nervous System and Unspecified Malignancies

**200–299 Hematologic Disorders**  
 200–208 Leukemias, Lymphomas, Myelomas  
 272.7 Gaucher's Disease  
 277.0 Cystic Fibrosis  
 277.6 Alpha 1-Antitrypsin  
 279.10 Immune Deficiency T-Cell (AIDS)  
 279.11 DiGeorge Syndrome  
 279.2 Severe Combined Immune Deficiency (SCID)  
 282.6 Sickle Cell Anemia  
 284 Aplastic Anemia  
 286.0 Hemophilia

**300–399 Neurological Disorders**  
 331.4 Obstructive Hydrocephalus  
 335.20 Lou Gehrig's Disease (ALS)  
 357.0 Guillain-Barre Syndrome

**400–499 Cardiac, Pulmonary Vascular Diseases**  
 416 Primary Pulmonary Hypertension  
 425 Cardiomyopathy  
 427.5 Cardiac Arrest  
 430 Subarachnoid Hemorrhage

**500–599 Respiratory, Liver and Renal Diseases**  
 515 Post Inflammatory Pulmonary Fibrosis  
 518.81 Respiratory Failure  
 571 Chronic Liver Disease/Cirrhosis  
 572.8 Liver Failure  
 585 Chronic Renal Failure

**600–699 Conditions of Pregnancy**  
 644.2 Early Onset of Delivery  
 651.1 Triplet Gestation  
 651.2 Quadruplet Gestation

**700–799 Perinatal Conditions**  
 745–746 Congenital Heart Disease  
 750.3 Tracheoesophageal Fistula  
 759.7 Multiple Anomalies  
 765-765.1 Preterm Infants  
 765.7 Abdominal Wall Anomalies  
 769 Respiratory Distress Syndrome

**800–899 Injury and Poisoning**  
 806 Cervical Spinal Cord Injury  
 851.9 Open Laceration of the Brain (GSW)  
 852-854 Brain Injuries  
 897 Amputations

**900–999 Trauma**  
 945–948 Burns  
 952.9 Spinal Cord Injury  
 958 Early Complications of Trauma  
 959.8 Multiple Trauma Injuries  
 996.80 Complications of Transplants  
 996.85 Graft vs. Host Disease

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Epclusa	Kynamro	Ventavis
Firazyr	Lumizyme	Viekira
Gleevec (imatinib)	Opdivo	Xyrem
H.P. Acthar	Orkambi	Yervoy
Harvoni	Soliris	Zaltrap
Humira	Sovaldi	Zepatier
Ibrance	Stelara	

Conditions leading to use of high-cost drugs may include: enzyme deficiencies (genetic mutations, Hereditary Angio-Edema, Hunter's Syndrome and other), various cancers, Cystic Fibrosis, Multiple Sclerosis, Nephrotic Syndrome, Psoriasis and other inflammatory conditions, Hepatitis C, Hemophilia A, B & C, Hemolytic Uremia Syndrome, MDS, Narcolepsy and Pulmonary Arterial Hypertension.