

POLICY NUMBER: [POLICY NUMBER]

## Jurisdiction-Specific Notices Related to Final Premium Audit

### Notification of Intent Regarding the Application of Audit Noncompliance Charges and Cancellation of In-Force Policies

Please note that your account will be deemed non-compliant if the requested documents are not received by the due date. Where permitted by state law or your policy agreement, we will cancel any in-force policy and apply an Audit Noncompliant Charge as follows:

**Alabama, Arkansas, Arizona, Colorado, Connecticut, Delaware, District of Columbia, Florida, Georgia, Hawaii, Iowa, Idaho, Illinois, Kansas, Kentucky, Louisiana, Maine, Maryland, Minnesota, Missouri, Mississippi, North Carolina, Nebraska, New Hampshire, New Jersey, New Mexico, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, Tennessee, Utah, Virginia, Wisconsin and West Virginia:**

An audit noncompliance charge in the amount two times the Estimated Annual Premium as shown on your policy will be applied. We will also cancel your in-force policy when permitted by state law or your policy agreement.

#### **California:**

California Insurance Code §11760.1 imposes liability on policyholders for a final premium equal to three times the Estimated Annual Premium should the policyholder fail to provide access to records to complete a final premium audit. We will levy this statutory premium upon non-cooperating policyholders. We will also cancel your in-force policy as permitted by state law or your policy agreement.

#### **Montana and Nevada:**

An audit noncompliance charge equal to the Estimated Annual Premium as shown on your policy will be applied. We will also cancel your in-force policy when permitted by state law or your policy agreement.

### Anti-Fraud Notice

We are required to provide the following fraud warning to policyholders in Utah:

Any person who knowingly presents false or fraudulent underwriting information, files or causes to be filed a false or fraudulent claim for disability compensation or medical benefits, or submits a false or fraudulent report or billing for health care fees or other professional services is guilty of a crime and may be subject to fines and confinement in state prison.