

NOTICE

REPLACEMENT OF HEALTH INSURANCE

According to your application and additional information you have submitted, you intend to lapse or otherwise terminate existing health insurance (policy number) _____ you have with (Company name) _____ and replace it with a policy delivered herewith as issued by Avalon Healthcare, Inc.

Your new policy provides ten (10) days within which you may decide without cost whether you desire to keep the policy. For your own information and protection, you should be aware of and seriously consider certain factors which may affect the insurance protection available to you under the new policy.

Health conditions which you may presently have may not be immediately covered under the new policy as they may be considered pre-existing conditions and subject to Avalon Healthcare, Inc.'s Pre-Existing Condition Waiting Period. This could result in denial or delay of a claim for benefits under the new policy, whereas a similar claim might have been payable under your present policy.

You may want to secure the advice of your present health insurance company or its agent regarding the proposed replacement of your present policy. This is not only your right, but it is also in your best interest to make sure you understand all the relevant factors involved in replacing your present coverage.

If, after due consideration, you still wish to terminate your present policy and replace it with new coverage with Avalon Healthcare, Inc., read the copy of the application and be sure that all questions are answered fully and correctly. Omissions or misstatements in the application could cause an otherwise valid claim to be denied. Carefully check the application and write to Avalon Healthcare, Inc. at the addressed referenced above within ten (10) days if any information is not correct and complete, or if any past medical history has been left out of the application.