

Letter to Long-Term Care Plan Participants

Your coverage as a Virginia Sickness and Disability Program (VSDP) participant includes a valuable long-term care benefit. This benefit assists with the cost of in-home care, nursing care or assisted living care. As a VSDP participant, you receive this benefit at no cost. Aetna Life Insurance Company has underwritten and administered this long-term care benefit since 2002 when it was added to the VSDP benefits package.

Two changes to the long-term care program will occur by the end of this year. First, Aetna announced in 2006 that it will no longer sell group long-term care insurance, such as that provided to the VSDP group of participants. Consequently, after much study, VRS has decided to administer the long-term care program internally, beginning December 1, 2007.

VRS will enroll you automatically in the VSDP long-term care program. **You do not need to take any action to make this happen.** You will incur no cost for this benefit as long as you remain a VSDP participant.

The second change to the program involves an increase in the daily benefit amount. Effective December 1, 2007, the current \$75 daily benefit amount will increase to \$96 with the maximum lifetime benefit amount increasing to \$70,080. This benefit increase is provided to you at no cost as a participant in the VSDP. More information on coverage is enclosed.

Although VRS will administer the long-term care program internally beginning on December 1, 2007, Aetna is required to inform you that you may elect to retain coverage under the existing Aetna Group Long Term Care Insurance Policy, at your cost. If you elect to retain Aetna coverage, it will be separate from coverage under the VSDP long-term care program. If you want to retain Aetna coverage (\$75 Daily Benefit Amount and \$54,750 Lifetime Maximum), you will be responsible for paying a monthly premium of \$(amount inserted here) directly to Aetna. To retain your coverage, simply fill out the enclosed Coverage Retention Form and return it to Aetna in the enclosed postage-paid envelope. The form must be RECEIVED by Aetna NO LATER THAN September 28, 2007. If Aetna does not receive your Coverage Retention Form by September 28, your opportunity to retain the Aetna coverage will end. In addition, if you elect to retain your Aetna coverage, you will receive an offer from Aetna to increase the Daily Benefit Amount up to \$96 (at additional cost), and you will continue to receive inflation offers every five years, but there will be no further enhancements to the Aetna coverage.

Please review the enclosed information about the coverage you will have as a VSDP participant and the coverage from Aetna that you may elect to retain. Remember, you need not do anything to maintain your current long-term care coverage under VSDP. If you have questions about the no cost, long-term care VSDP coverage, contact VRS at 1-888-827-3847. If you have questions about Aetna coverage and associated payment terms, please call 1-877-796-1927.

Sincerely,

Robert Schultze
Director

Enclosures