

# CENCO STREET JOURNAL

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## Cenco Benefits and LISI Group Medical Plans Announcement

**July 1, 2007, For Immediate Release**

After over 25 years wholesaling group medical insurance business via brokers, Cenco Benefits Insurance Marketing Corporation (Cenco Benefits) and the Cenco Financial Group are pleased to announce an exciting mutual agreement business transaction which we believe will offer new and better opportunities for our many loyal group medical insurance brokers. After several years of an amicable working relationship with the General Agency LISI, Inc., Cenco Benefits is pleased to announce that effective July 1, 2007 it is transferring its group medical insurance operations to LISI, Inc.

With the ever changing landscape in today's group insurance wholesaling marketplace, the large overhead and infrastructure costs, and accompanying declining revenues, we felt it prudent to consolidate books of business with LISI providing you with access to their substantial resources and quality services.

LISI was founded in 1977 and has grown to be one of the largest general agencies in California. Serving more than 5,000 brokers from six fully-staffed offices, including Northern California locations in San Mateo and Sacramento, LISI provides brokers with local area expertise and powerful statewide resources, all dedicated to providing the best in broker services.

The only Cenco Benefits carriers whose sales, marketing and support services will be affected by this transfer are Blue Cross of California, CaliforniaChoice<sup>®</sup>, Kaiser Permanente Choice Solution and Health Net. Please note, there will be no change in individual health insurance business and we will continue to offer and service ancillary group products.

This business transaction does not affect any of Cenco's other operations. Cenco Insurance Marketing Corporation's 30-year history as an industry-leading life, disability and annuity general agency will continue. In fact, Cenco Insurance is planning expansion of our support and offerings in the life, disability and annuity areas. Cenco Benefits will continue to offer and service group life, dental and LTD plans, as well as selected individual health insurance products. Cenco's affiliated nation-leading NASD broker dealer branch office with Ameritas Investment Corp., will not be affected in any way.

The Cenco business group has been unique in its ability to successfully operate three separate agency operations for over 25 years, group medical, life insurance and financial services as well as a large securities branch office. We have consistently been perennial national production leaders in these fields.

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This combination has worked well for Cenco and its brokers for over two decades, but in today's world, specialization is more beneficial. To maintain the service levels that you require, it is Cenco Benefits' belief that its medical insurance brokers will be better served by a larger agency that specializes in group medical insurance. In addition to other benefits, this transfer will open new opportunities for agents to offer more medical carriers to their clients than we have recently been able to offer.

For those of you using our Cenco Instant online quoting system, that will stay in operation for at least three months providing the opportunity to learn LISI's QuoteStar™ online quoting system. Effective 30 to 45 days from July 1, 2007, LISI will contact you with your password to QuoteStar™ to begin using the system and quote all major carriers at any time—even non-contracted carriers are available for comparison so you can make informed recommendations.

We do not expect any interruption in the service of your groups. One or more of our key group medical insurance staff members will work closely with you and LISI staff to ensure a smooth transition. Cenco Benefits and LISI will provide your normal commissions and continue to offer you ongoing communications and follow up.

Underwriting for your pending and new group cases will continue to be handled through the Cenco Benefits staff you currently work with and will be issued under LISI. We will be working in conjunction with LISI and be available to assist with any transition activities. At this time, Cenco Benefits will also continue to handle all ongoing group proposals, group operations and all service, follow-up and support for business previously placed through Cenco Benefits. We will also be introducing many of LISI's exclusive services making sure that your needs are addressed.

Both Cenco Benefits and LISI will continue to post new information on their websites "[www.cencoinsurance.com](http://www.cencoinsurance.com)" and "[www.lisibroker.com](http://www.lisibroker.com)."

To help answer some of your questions, we have prepared a Q & A sheet. This Q & A sheet, as well as other information, may be obtained from Cenco Benefits or LISI's staff or on either website.

Cenco Benefits is grateful for your business over the years and wishes you a successful future with LISI. The initial transition period is expected to last several weeks with ongoing cooperative assistance between Cenco Benefits and LISI lasting several months.

In order to help you become more familiar with LISI and their great group insurance services and staff, we are providing some additional background information as attachments to some of the announcements, however you may also obtain information at either of Cenco Benefits or LISI offices and both our websites.

Sincerely,

Pete Altmann, President  
Cenco Companies

Philip Lebherz, Chairman and CEO  
LISI

## CENCO BENEFITS TO LISI GROUP TRANSITION Q & A

Updated July 6, 2007—Q & A's may be updated periodically. Check Cenco Benefits or LISI's website or call Cenco Benefits or LISI for the most current updates.

- Q: What group carriers and lines of business are being transferred to LISI?** Only Blue Cross of California, CaliforniaChoice®, Kaiser Permanente Choice and Health Net medical and dental insurance, including Blue Cross of California dental, vision and group term life.
- Q: What about other group plans, such as group term life, LTD, dental, etc., will Cenco Benefits continue to offer and support these products?** Non-medical insurance group carriers Cenco Benefits represents such as Fort Dearborn Life, American General and others, will be retained and will continue to be offered and serviced by Cenco. We will continue to offer and service those products as ancillary lines, except that Blue Cross of California's group dental and vision products will be with LISI.
- Q: What about individual health insurance through Cenco Benefits?** There will be no change in individual health insurance business, such as Nationwide and Blue Cross of California.
- Q: Will this affect Cenco's life insurance and disability insurance business?** No, other lines of business operated by Cenco Insurance and Cenco Benefits will not be affected. We will continue to offer extensive service to brokers and advisers for all lines of business we have always offered, such as life, disability, annuities, and long-term care. We will continue to offer a full listing of life carriers and five disability carriers. We will continue to offer case support and the best possible solutions for your clients. This transition will allow for more resources to be focused on growing our support and services to our core businesses. We have been an industry leader in many categories and our intent is to continue to grow our support of you in these areas.
- Q: Will this have any affect on my commissions?** No. You will still receive your commissions from the carriers as before. For those few of you who still have commissions being paid via Cenco Benefits that will also continue as before.
- Q: What about Aviva (formerly AmerUs) agency operations?** Our national-leading Aviva agency will be stronger than ever. In addition to our entire staff being able to focus on this, Aviva is starting a massive market identification campaign to work with its leading agencies, like Cenco Insurance, to increase market penetration via its agents. This will be a major benefit to everyone associated with Cenco and Aviva.
- Q: What about the securities operation?** Nothing will change. Our national-leading relationship with our broker-dealers will remain as strong as ever. This transition does not affect our securities operation. Every year, our production grows and it is our intent to continue to assist you in growing your securities business.
- Q: What about Cenco Benefits' online group quoting system, Cenco Instant?** Cenco Instant will remain online during the transition and probably for at least three months. In the meantime, you will be able to use either Cenco Instant or LISI's QuoteStar™ system.
- Q: What about my recent group business for July effective dates?** Cenco Benefits staff will continue to help make sure your new groups get properly underwritten and processed.
- Q: Where do I submit my new groups for later effective dates?** Underwriting for your new group cases will continue to be handled through the Cenco Benefits staff you currently work with and will be issued under LISI.
- Q: What about Cenco Benefits' staff?** Some of Cenco's staff will remain and/or work in other departments such as life insurance, etc. Others involved in the transition may remain with Cenco Insurance in other capacities or may move to LISI, depending on necessity and what is best for all. Further information will be provided as we progress.
- Q: How long is the transition period expected to last?** We expect the initial transition period to last several weeks with ongoing cooperative assistance between Cenco Benefits and LISI lasting several months. This transition period will ensure that agents and their groups are properly serviced until most or all agents can begin to fully work with LISI.
- Q: Who will be my main contact at LISI?** Your initial main contacts will continue to be Susanne Corbin at Cenco and Scott King, Operations Manager for the LISI Sacramento office. His phone number is 800-573-5474. However, we will be continually providing you with updated contact information on both Cenco's and LISI's Web sites.
- Q: Will I be contacted by anyone during the transition?** Yes, during the transition you will probably be contacted by someone from Cenco Benefits and/or LISI to provide further information, answer any questions you may have and familiarize you with LISI's services. We plan to start with agents with current business in process or new groups being quoted.
- Q: What about future joint group client appointments that have been setup with Cenco Benefits staff?** We plan to have your same Cenco Benefits staff member continue to help you with appointments along with a knowledgeable LISI representative.
- Q: Which Cenco companies and businesses are affected by this book of business transfer?** Only the above medical insurers which are offered via Cenco Benefits Insurance Marketing Corporation (Cenco Benefits) are affected. The remainder of Cenco Benefits operations and those of the separate life agency, Cenco Insurance Marketing Corporation (Cenco Insurance), where the other lines of business are offered are unaffected.
- Q: How do I find out more current information about this transition?** Visit Cenco's website, [www.cencoinsurance.com](http://www.cencoinsurance.com), and click on "What's New in Group Insurance," or visit [www.lisibroker.com](http://www.lisibroker.com). You may also call either Cenco Benefits or LISI contact persons.

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# Special Announcement

**CONTACT INFORMATION** - Following is important contact information for Cenco Benefits and LISI during the transition. We will continue to post new information on both websites, [www.cencoinsurance.com](http://www.cencoinsurance.com), and [www.lisibroker.com](http://www.lisibroker.com).

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