

EXHIBIT XII

Performance Guarantees

Please confirm your agreement with the proposed service level targets and associated guarantees or explain why you disagree.

<i>Performance Guarantee</i>	<i>Amount at Risk</i>	<i>Agree or Disagree (explain)</i>
1. Quarterly Reports by Product, Premium, Premium Discrepancy, Claim Turnaround Time and Disability Claim Report. Include quarterly loss ratios by product which must be based on data specific to premiums paid by city employees and claims paid for city employees/dependents. Provide report within 30 calendar days immediately following the end of the Plan Quarter.	<i>\$1,000 per quarter</i>	
2. Annual Loss Ratio by Product, Premium, Premium Discrepancy, Claim Turnaround Time and Disability Claim Report within 45 calendar days following the end of the Plan Year.	<i>\$2,000 annually</i>	
3. Process 97% of process-ready claims within seven (7) business days of receipt and 100% of process-ready claims within ten (10) business days of receipt. Provide report within 30 days after each quarter ends.	<i>\$500 per quarter</i>	
<i>New Vendor Only</i>		
1. Implementation Services to be measured and reported one (1) month after the effective date of each plan year beginning May 1: (a) Mail evidence of insurance coverage within 10 calendar days of policy effective date; (b) Service center ready to respond to inquiries effective on or before May 1; (c) Toll free customer service telephone number operational on or before May 1; (d) all claims administration services to be fully operational by effective date of May 1.	<i>\$3,000 annually</i>	
2. Provide Administration Manual to the City of Houston within 30 days of contract effective date.	<i>\$500 (one-time)</i>	