

## UNDERWRITING QUICK REFERENCE GUIDE

### CONTRIBUTION:

- The minimum employer contribution level is 50% of the Single medical premium rate.

### GROUP STANDARDS:

- 2-19 size groups will be age/gender-rated (# based on FT eligible employees, not the # enrolled)  
20-50 size groups will be composite-rated (# based on FT eligible employees, not the # enrolled)
- Effective dates = 1<sup>st</sup> of the month or 15<sup>th</sup> of the month. All cases should be submitted at least 2 weeks prior to the effective date.
- Maximum **Medical** Surcharge is 66.5%.
- For groups with out-of-state employees, send a request to Underwriting to load the out-of-state factor into the AAR system **prior** to releasing the proposal. Load factors are non-negotiable.
- There is a 15% surcharge if the group does not supply proof of having Workers' Compensation coverage. A copy of the WC Declaration page will be required if the Workers' Compensation carrier's name and policy number are not disclosed on the SG Request for Coverage form.
- Personal health statements are not required on groups with 20 or more FT eligible employees, regardless of the number enrolled.
- All new hires must enroll on the 1<sup>st</sup> or the 15<sup>th</sup> of the month following completion of the waiting period, which corresponds with the group's effective date.
- If a new hire will be eligible to enroll within 90 days of the initial effective date, an enrollment form must be completed and, if required of the other employees, a personal health statement.
- An enrollment form **MUST** be completed and signed if an employee elects to waive coverage for medical, dental or life benefits.
- Dependent children will be covered up to age 26.
- If a legitimate employer is domiciled in SC and at least 25% of its eligible employees reside in SC, the group is eligible for Carolina Advantage.
- Contract or leased (1099) employees are not eligible.
- Management (class) carve-outs of any kind are not accepted.
- Preventive dental, maternity and chiropractic care are standard benefits on all plans. They may not be removed.
- There are no dollar limits or age limits on mandated preventive/wellness care. The mammogram age limits follow the standard for the American Cancer Society unless medically necessary.
- Pre-Existing Conditions — There is a look-back period of 6 months prior to the hire date of any member or dependent over the age of 18 for any pre-existing conditions. If the member received medical advice or treatment for any condition during the 6 months immediately before such hire date, he or she will not be covered for that condition for the subsequent 12-month period. If the member or dependent over the age of 18 has had 12 months of continuous creditable coverage, and provides a valid HIPAA Certificate of Creditable Coverage to BlueChoice HealthPlan, the pre-existing condition clause will be waived. There is no pre-existing condition clause for dependents up to age 19.
- Late Entrant Policy — The prospective member(s) will be excluded from coverage for the first 12 months. Their coverage will then be subject to the pre-existing condition clause for the subsequent six months.

**2-3 PERSON GROUPS:**

- If a husband and wife are the only two employees in a legitimate group, they must enroll on separate enrollment forms. The children may only be enrolled under one parent.
- If the group has 3 or more employees and 2 of those are a husband and wife, they may enroll on one enrollment form with employee + spouse or family coverage.
- The employee that is being covered as a spouse must complete a waiver enrollment form for medical/dental. The covered spouse still has the option of electing the employee life insurance. If elected, the life section on the enrollment form must be complete.

**COVERAGE OPTIONS:**

- If the group offers Comprehensive Dental coverage, the employee’s dental election must be identical to the medical election as to persons covered or coverage waived.

**PARTICIPATION:**

<b>Eligible Employees:</b>	<b>Minimum Participation Requirements:</b>
2-3	100% must enroll
4-7	100% less one employee with a valid waiver
8-50	70% of total FT eligible employees must enroll, all others must complete a waiver

- If the employer pays 100% of the Single medical, medical/dental or life premium rate, 100% participation in the respective coverage is required regardless of group size.

**WAITING PERIODS:**

<b>Eligible Employees:</b>	<b>Waiting Period Options:</b>
2-6	90 or 180 Days
7-19	30, 60, 90 or 180 Days
20-50	30, 60, 90, 180 or 365 Days

- The waiting periods of 180 and 365 days are for groups with high employee turnover, such as hotels, restaurants, etc.

**LIFE INSURANCE:**

- A minimum of \$10,000 group life and AD&D insurance is required.

<b>Eligible Employees:</b>	<b>Increments:</b>
2-19	\$10,000 \$15,000 \$20,000 \$30,000 \$40,000 \$50,000
20-50	\$10,000 \$15,000 \$20,000 \$25,000 \$30,000 \$35,000 \$40,000 \$45,000 \$50,000

- Companion Life will underwrite and bill for all amounts over \$50,000. Companion Life is a separate life insurance company that does not provide BlueChoice HealthPlan products or services. Companion Life is solely responsible. Employees may waive the life insurance if they are waiving medical and dental coverage as long as the employer is not paying the full cost of the life insurance.
- If the employee elects only life insurance, he or she must complete the life section of the enrollment form.
- Dependent Life may be sold with Basic Life. The dependent life amounts are flat amounts based on group size.

<b>Eligible Employees:</b>	<b>Covered Spouse Amount:</b>	<b>Per Covered Child Amount:</b>
2-19	\$2,000	\$1,000
20-50	\$5,000	\$5,000

- The life insurance election does not have to match the medical/dental election. The employee can elect to have dependent life (if the employer offers it), but only elect single medical/dental coverage. Also, the employee can waive the dependent life, but elect to cover the family under the medical/dental plan.