

2-50 EMPLOYEE GROUPS

For groups with 50 or fewer eligible employees, the general underwriting guidelines must be followed AND the following applies:

- ADVANTAGE must be sole provider of health benefit plan.
- There is no coverage available for retirees over age 65. Under age 65 retirees will only be offered coverage along with an active employer group.
- Census, including coverage type, zip codes, gender, DOB (or age), SIC code
- Health Statements will be required to complete the underwriting process. A signature from the applicant and spouse (if to be covered) are required. Health statements will only be accepted within 90 days from the date signed.

51+ EMPLOYEE GROUPS

For groups with more than 50 employees, the following information is required to issue final proposal:

- Census, including coverage type, zip codes, gender, DOB (or age), SIC code
- Paid Premiums vs. Paid Claims for a 24 month period ending with a month close to the proposed effective date; and
- Large Claimant information (as allowed to be provided under HIPAA) for the same 24 month period
- Current and Renewal Premium Rates (from incumbent carrier)
- Current and Renewal Benefits
- Employer contribution strategy for all health benefit plans available to the employees
- Underwriting may request completed Health Statements if claims experience is unavailable.

The HMO product can be offered as an option to existing carrier. Products other than standard products approved at the time of the quote process (see attached) require Sales Director and Underwriting approval in writing.



UNDERWRITING GUIDELINES



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These are general guidelines to follow for writing new and renewing groups

1. The company must have been in business for at least six (6) months and currently offering medical coverage. Groups with no prior coverage will be considered for coverage if they have been in business at least one (1) year, pass medical underwriting and place one (1) month premium in escrow for the first year.
2. Eligible employees must be employed on a full-time basis (at least 30 hours weekly).
3. The company must conduct its business year-round and not be seasonal in nature.
4. Employees must have earnings reported on a W-2.
5. An employer/employee relationship must exist for eligibility. Groups applying for coverage without a Federal ID number must produce evidence of legal business status by providing a Schedule C.
6. Employer must contribute at least 50% of the single premium.
7. ADVANTAGE must be the sole health care provider with 75% of the net eligible employees participating in an employer-sponsored health care program if offered to groups with 50 or fewer eligible employees. Participation will be viewed as follows:

Net Eligibles: Employees passing the Eligibility Requirements less those covered by a spouse or parent, Medicare/Medicaid, individual coverage, or other Government sponsored comprehensive medical plan. (In no case will we quote a group with less than 50% of the total employees.)

Net Eligible	Minimum Participation
2	All
3	All
4-50	75%

*(Appropriate evidence of alternative coverage will be required - WAIVER.)
Example: If an employer group has 5 eligible employees, only 2 of these eligible employees can waive coverage and 3 must enroll in the employer sponsored plan.*

8. Persons eligible for coverage through the Consolidation Omnibus Budget Reconciliation Act (COBRA) must be included on the census for rating purposes, as well as, disabled persons eligible for coverage. The number of COBRA employees must not exceed 10% of the group (If the group has less than 20 eligible employees COBRA does not apply.)
9. Rates will be released on a preliminary basis determined from census information and benefit requirements as submitted by the Broker Representative or sales representative. Rates reflect the standard commission schedule for Broker Representative and General Agent, if applicable. Final rates will be determined and will be based on final enrollment and health questionnaires.
10. The effective date of coverage will be defined as the first of the month following approval by underwriting or the date requested, whichever is later.
11. The maximum waiting period for new hires is 120 days. Other waiting periods are 1st of the month following 30, 60, and 90 days of employment. This stipulation must be noted on the Application for Groups Policy.
12. When a case is submitted, the following items are required:
 1. Application for Group Policy
 2. Health Statements
 3. Enrollment/Change Form (including waivers for those eligible employees not taking coverage)
 4. First month's premium
 5. A copy of current billing if replacing coverage
 6. A copy of current benefits
 7. The most recent copy of wage and tax report (UC-1 or form 941)
 8. A copy of the quoted rate proposal
13. ADVANTAGE will not provide "carve-out" coverage for different classes of employees except in groups that have union participation.
14. Groups with only 2 participating employees cannot consist of husband and wife only.
15. There is no coverage available for retirees over age 65.
16. No more than 10% of a group's total eligible employees may reside outside of the ADVANTAGE service area (more than 30 miles away from an ADVANTAGE provider) for groups with 50 or less eligible employees.
17. No more than 20% of a group's total eligible employees may reside outside of the ADVANTAGE service area (more than 30 miles away from an ADVANTAGE provider) for groups with 51 or more eligible employees.
18. If an employer group is terminated by ADVANTAGE for non-payment of premium, the group is not eligible to receive a quote from ADVANTAGE for a period of 1 year from the date of termination.

