New York 1–50
Underwriting brochure

Plans effective January 1, 2015
For businesses with 1–50 eligible employees

www.aetna.com
Underwriting guidelines

This material is intended for brokers and agents and is for informational purposes only. It is not intended to be all inclusive. Other policies and guidelines may apply.

Note: State and federal legislation/regulations, including Small Group Reform and ACA, take precedence over any and all underwriting rules. Exceptions to underwriting rules require approval of the Director of Underwriting except where Executive Director of Underwriting approval is required. This information is the property of Aetna and its affiliates (“Aetna”), and may only be used or transmitted with respect to Aetna products and procedures, as specifically authorized by Aetna, in writing.

All underwriting guidelines are subject to change without notice.

<table>
<thead>
<tr>
<th>Product Availability</th>
<th>Medical</th>
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<tbody>
<tr>
<td>• May be written standalone or with ancillary coverage.</td>
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<tr>
<td>• Only non-occupational injuries and disease will be covered.</td>
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<tr>
<td>• NYC Community Plan is only available to employers who are located in one of the five boroughs of New York City — Manhattan, Bronx, Queens, Staten Island and Brooklyn.</td>
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<tr>
<td>Dental</td>
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<tr>
<td>• 1 life</td>
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<tr>
<td>- Not available.</td>
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<tr>
<td>• 2 eligible employees with 2 enrolled</td>
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<tr>
<td>- Standard dental available with medical.</td>
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<tr>
<td>- Voluntary dental not available.</td>
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<tr>
<td>• 3 to 50 eligible employees</td>
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<tr>
<td>- Standard dental available with or without medical.</td>
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<tr>
<td>- Voluntary dental available with or without medical.</td>
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<tr>
<td>- Standalone available.</td>
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<tr>
<td>- Standalone dental has ineligible Industries.</td>
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<tr>
<td>• Orthodontic coverage</td>
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<tr>
<td>- Available with 10 or more eligible employees with a minimum of five enrolled employees for dependent children only.</td>
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<tr>
<td>Vision</td>
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<tr>
<td>• Available to groups with two or more eligible employees.</td>
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<tr>
<td>• Single option only (dual option, triple option not available).</td>
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<tr>
<td>• Vision only is allowed; or can be sold with medical and ancillary products.</td>
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<tr>
<td>Life</td>
<td></td>
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<tr>
<td>• 1 life not available.</td>
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<tr>
<td>• 2 to 9 eligible employees – available if packaged with medical.</td>
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<tr>
<td>• 10 to 50 eligible employees – available if packaged with medical or dental.</td>
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<tr>
<td>• 26 to 50 eligible employees – available on a standalone basis.</td>
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<tr>
<td>LTD simplified plans</td>
<td></td>
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Health/dental benefits plans, health/dental insurance plans, life insurance and disability insurance plans/policies are offered, underwritten or administered by Aetna Health Inc., Aetna Dental Inc. Aetna Health Insurance Company and/or Aetna Life Insurance Company (Aetna). Each insurer has sole financial responsibility for its own products.
**Case Submission Dates**
- For all information regarding new business submission dates/deadlines, please contact your Aetna sales executive.

**Guaranteed issue**
- We offer our fully insured commercial small group plans on a guarantee issue basis.

**COBRA/State Continuation Enrollees**
- Employers with 20 or more employees (full and part time) are eligible to offer COBRA coverage.
- Employers with less than 20 employees (full and part time) are eligible to offer state continuation.
- Group health plans sponsored by employers with 20 or more employees on more than 50 percent of its typical business days in the previous calendar year.
  - Include: full time, part time, seasonal, temporary, union, owners, partners, officers.
  - Exclude: self-employed persons, independent contractors (1099), directors.
  - Each part time employee counts as a fraction of an employee, with the fraction equal to the number of hours that the part time employee worked divided by the hours an employee must work to be considered full time.
- Because COBRA is directed at employers, the decision to comply with COBRA should be made by the employer. In situations where it may appear the employer is not subject to COBRA, for example a three-life group requesting COBRA, we will ask the employer to “validate” the number of employees in the prior calendar year in order to determine the number of employees for COBRA purposes.
- Companies under common ownership are included in the count.
- COBRA enrollees are not billed separately and are included with the group bill.
- State continuation enrollees are billed separately, directly to the individual.
- COBRA enrollees who do not reside in an Aetna service area are only eligible for out-of-network benefits if applicable or urgent/emergency care.
- Life, disability and/or voluntary dental: COBRA and state enrollees are not eligible.
- Eligible enrollees are required to be included on the census.
- The qualifying event, length, start date and end date must be provided.
- COBRA/state continuation enrollees are not to be included for the purpose of counting employees to determine the size of the group. Once the size of the group has been determined according to the law applicable to the group, COBRA/state continuation enrollees can be included for coverage subject to normal underwriting guidelines.

**Deductible Credit Calendar-Year Plans**
- Deductible credit applies to calendar-year plans for group-to-group takeover for individuals on the prior group plan.
- Members who are eligible and want to receive credit for deductible paid to the prior carrier should submit a copy of the explanation of benefits (EOB) to us no later than 90 days after the effective date. Be sure the member’s Social Security number is on the EOB.
- This may be submitted at the initial small group submission or with their first claim, or can be faxed to claims at **1-866-474-4040** no later than 90 days after the effective date. If you choose to fax, please include “Deductible Credit Request” in the subject line with the Group/Control Number in order to direct the information to the correct area for processing.
- Deductible credit reports may be submitted and should include the member’s Social Security number.
- Deductible credit not allowed on plan-year plans.
- Deductible carryover not allowed.
Dependent Eligibility

Eligible dependents include:

- Spouses
- Domestic partners
- Dependent children:
  - A policy offering family coverage must offer coverage to natural children, legally adopted children, proposed adopted children, unmarried disabled children, stepchildren, newborn children, children for who the employee has legal custody, legal guardian by a court order and are chiefly dependent on employee for support.
  - Children of an employee are covered until 26 regardless of financial dependent, residency, student status, employment, marital status, or eligibility for other coverage.
  - Dependents (except for married dependents) may be covered through age 29 under New York Law as follows:
    - Young Adult Option (Cobra-like coverage elected by dependent). Premium is based on single employee rate.
    - Make-available rider (purchased at the option of employer). Premium adjusted to incorporate the expanded dependent age.
  - Foster children and grandchildren are not covered unless there is a court order.
  - We have the right to request and be furnished with such proof as may be needed to determine eligibility status of a prospective or Covered Subscriber and all other prospective or Covered Members as they pertain to eligibility for coverage.
  - Children can only be covered under one parent’s plan when both parents work for the same company.
  - When the child works for the same company as the parent, the child may enroll separately as an employee or as a dependent under the parent’s plan.
  - Incapacitated child: Attainment of limiting age will not terminate the coverage of the child while the child is and continues to be both incapable of self-sustaining employment by reason of mental retardation or physical handicap and chiefly dependent upon the employee or member for support and maintenance. The employee or member must send us proof of incapacity and dependency within 31 days of the child’s attainment of the limiting age and subsequently, as we ask for it but not more than annually after the two-year period after the child reaches the limiting age.
- Dependent children life – dependent children are eligible from birth up to their 26th birthday.
- Marriage and birth certificates may be requested to verify dependent eligibility.
- 2 to 9 eligible employees – dependents are not eligible for life and disability.
- Medical and dental – dependents must enroll in the same benefits as the employee (participation is not required).
- Employees may select coverage for eligible dependents under the dental plan even if they select single coverage under the medical plan.
- Individuals cannot be covered as an employee and dependent under the same plan, nor may children be eligible for coverage through both parents and be covered by both under the same plan.

Effective Date

- The effective date must be the 1st or the 15th of the month.
- The effective date requested by the employer may be up to 60 days in advance.
Employee Eligibility

- Eligible employees are those employees who are legal and work a normal work week of at least 20 hours, and who have met any authorized waiting period. Eligible employees include proprietors, partners, officers and managers. It also includes:
  - 1099 employees.
  - Co-employees of a PEO, Employee Leasing Company or other such entity that is a co-employer with a client or client-site employees.
  - Temporary and seasonal employees, at the option of the employer.
- Classes of employees based on “conditions pertaining to employment” are permitted at the option of the employer for policies issued or renewed prior to January 1, 2016. Examples of permissible classes of employees are:
  - Hours
  - Salaried versus hourly
  - Geographic location
  - Directors, managers and shareholders
  - Job duties
  - Earnings

- If an employee and dependent work for the same company and elect to enroll as employee and dependent, applicable documentation to determine dependent’s actual employment status must be provided as any other employee of the group (for example, NYS-45, partnership documentation, etc.).
- Employees/Individuals not eligible for coverage include substitute, uncompensated employee(s), employees making less than equivalent minimum wage, volunteer, inactive owner, shareholder only, board member(s), outside consultant(s), officer(s) who are not active, managing member who is not active, investor only or a silent partner.
- Coverage must be extended to all employees meeting the above conditions, unless they belong to a union class excluded as the result of a collective bargaining arrangement.
- If the employer’s employee eligibility criteria definition differs from the above definition (more than 20 hours), the employer’s actual definition must be provided on the employer application at the time of new business submission. Note: the normal work week cannot be less than 20 hours.
- Employees are eligible to enroll in the dental plan even if they do not select medical coverage and vice versa.
- NY small group reform excludes union employees who are covered by a collective bargaining agreement.
- An employee is eligible to enroll in a NYC Community Plan only if he or she resides or works and accesses health care in the five boroughs of New York City — Manhattan, Bronx, Queens, Staten Island and Brooklyn.

QRS standard life
- 2 to 50 eligible employees – eligible if packaged with medical; the minimum hours match medical.

Life and Long Term Disability (LTD) simplified plans
- 10 to 50 eligible employees – eligible with minimum of 20 hours per week.
<table>
<thead>
<tr>
<th>Employer Contribution</th>
<th>Medical</th>
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<td></td>
<td>• Coverage cannot be declined based on contribution strategy at time of sale or to nonrenew a group at renewal.</td>
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<thead>
<tr>
<th>Dental</th>
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<tr>
<td>• Employers must contribute 25 percent of the total cost of the plan or 50 percent of the cost of employee-only coverage.</td>
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<td>• If the employer pays 100 percent, the group is not eligible for a voluntary plan and would get a standard plan.</td>
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<th>QRS life</th>
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<tr>
<td>• 2 to 9 eligible employees – 100 percent contribution is required.</td>
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<tr>
<td>• 10 to 50 eligible employees – 50 percent to 100 percent contribution is required.</td>
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<thead>
<tr>
<th>Simplified life and LTD plans</th>
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<tr>
<td>• 10 to 50 eligible employees – 50 percent to 100 percent contribution is required.</td>
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<th>Life and LTD</th>
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<tr>
<td>• Coverage can be denied based on inadequate contributions.</td>
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<th>Employer Definition</th>
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<tr>
<td>• An employer with 1 to 50 employees.</td>
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<tr>
<td>• The definition of small employer is now one common-law employee. This does not mean that a one-person company can get small group coverage. This accommodates one owner and one W-2 common-law employee (who is not a spouse of partner/owner).</td>
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<thead>
<tr>
<th>Employer Eligibility</th>
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<tr>
<td>• Group applicants that do not meet the above definition of a small employer are not eligible for coverage.</td>
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<tr>
<td>• Organizations must not be formed solely for the purpose of obtaining health coverage.</td>
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<tr>
<td>• Associations, Taft-Hartley groups, professional employers organizations (PEO)/employee leasing firms and closed groups (groups that restrict eligibility through criteria other than employment) and groups where no employer/employee relationship exists are not eligible. These groups must be written individually and are not eligible to be combined for purposes of obtaining health coverage.</td>
</tr>
<tr>
<td>• Small groups must have 1 to 50 employees.</td>
</tr>
<tr>
<td>• Group size is determined by the number of eligible employees in a valid employer class as elected by the employer.</td>
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<tr>
<td>• Group Size determination made on renewal. Fluctuation in the size of the group mid-year does not affect eligibility.</td>
</tr>
<tr>
<td>• One-life sole proprietors are not eligible.</td>
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<tr>
<td>• Sole proprietors, partnerships or corporations are eligible as long as there is a minimum of two enrolling employees, one of which must be a W-2 who is not an owner and not the owner’s spouse.</td>
</tr>
<tr>
<td>• Husband and wife groups are not eligible based on the federal definition of a group. To be considered a group health plan there must be at least one W-2 employee other than the owner and spouse “enrolled” in the plan. The spouse of the owner is not considered a “real” employee, even if paid as a W-2 employee. The owner and spouse are both considered to be owners and are eligible for individual coverage.</td>
</tr>
<tr>
<td>• Domestic partner and civil union – by definition, these individuals are not husband and wife. Thus, a 2 life group with only the domestic partners or civil union partners enrolling is eligible as long as there is an eligible W-2 employee enrolling.</td>
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Employer Eligibility
(continued)

<table>
<thead>
<tr>
<th>Small group business example</th>
<th>Traditional</th>
<th>NYCCP</th>
</tr>
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<tbody>
<tr>
<td><strong>LLC</strong>&lt;br&gt;Father and son&lt;br&gt;No W-2 EEs</td>
<td>Not eligible as there must be one W-2 enrolling</td>
<td>Not eligible as there must be one W-2 enrolling</td>
</tr>
<tr>
<td><strong>Sole proprietor, corporation or LLC</strong>&lt;br&gt;1 owner&lt;br&gt;1 eligible W-2 EE</td>
<td>Eligible if both are enrolling&lt;br&gt;Not eligible if one is waiving</td>
<td>Eligible if one W-2 enrolling</td>
</tr>
<tr>
<td><strong>LLC</strong>&lt;br&gt;1 owner&lt;br&gt;3 eligible W-2 EEs&lt;br&gt;1 W-2 EE is the spouse&lt;br&gt;Owner and spouse are the only 2 enrolling&lt;br&gt;2 others waiving</td>
<td>Not eligible as there must be one W-2 enrolling that is not the spouse</td>
<td>Not eligible as there must be one W-2 enrolling that is not the spouse</td>
</tr>
<tr>
<td><strong>Corporation</strong>&lt;br&gt;1 owner enrolling&lt;br&gt;2 W-2 EEs waiving</td>
<td>Not eligible as there must be one W-2 enrolling</td>
<td>Not eligible as there must be one W-2 enrolling</td>
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<tr>
<td><strong>2 life</strong>&lt;br&gt;Boyfriend and girlfriend living together&lt;br&gt;Girlfriend paid W-2</td>
<td>Eligible since girlfriend is paid W-2</td>
<td>Eligible since girlfriend is paid W-2</td>
</tr>
<tr>
<td><strong>Religious organization</strong>&lt;br&gt;Priest/minister/rabbi/etc. and spouse are the only employees&lt;br&gt;Not a business owned by them, the church is the employer</td>
<td>Eligible as not considered husband and wife</td>
<td>Eligible as not considered husband and wife</td>
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</tbody>
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**Excluded Class/Carve Outs**

- **Medical, dental, life and disability**
  - Union employees, as a class, may be excluded by an employer as not being eligible for coverage.
  - Coverage of management employees only is not permitted.

- **Medical**
  - Groups that do not meet participation criteria are eligible to enroll during open enrollment, November 15 through December 15, for a January 1 effective date.

**Guaranteed Availability**

- All policies must be guaranteed available to groups year-round.

**Guaranteed Issue**

- We offer our fully insured commercial small group plans on a guarantee issue basis.
- If the group applies for a new plan and are under 50, they may be declined based on participation, except during the annual one-month open enrollment period.
Guaranteed Renewability

- Groups cannot be terminated for participation and contribution.
- A group must be renewed unless terminated because of the following:
  - Fraud or misrepresentation of material facts.
  - Failure to meet an insurer’s service area requirements if no employee lives, works, or resides in service area.
  - Lapsed membership by a participating group in the association if association group coverage.
  - Inability to meet the definition of permissible group under applicable state and federal requirements.
  - Insurer discontinues a class of contract or withdraws from the market.

Initial Premium

- The initial premium payment should be the total of the first month’s premium for all products (medical, life, dental, vision); and may be in the form of a check or electronic funds transfer (EFT).
- Submit a “copy” of the initial premium check payable to Aetna or complete the ACH/EFT form and include with the new business group enrollment applications.
- If you supply a copy of the check, once coverage is approved, you will be advised where to mail the initial premium check. If the check is not received, coverage will terminate retroactive to the case effective date.
- The initial premium is not a binder check and does not bind Aetna to provide coverage.
- If the request for coverage is withdrawn or denied due to business ineligibility, participation and/or contributions not met, the premium will be returned to the employer.
- If the initial premium check is returned for by the bank for nonsufficient funds, the standard termination process will be followed.
- If the group is currently with Aetna and adding another product (medical, dental, life, disability, vision), no premium payment is required at the time of enrollment.

Electronic funds transfer (EFT)

- Payment for the first month’s premium at new business can be processed via an electronic funds transfer/ACH.
- If the EFT method is selected, the initial premium will be withdrawn from the checking account when the group is approved. This is a one-time authorization for the first month’s premium only.
- Once the group is issued, customers can pay their monthly premiums online or by calling an automated phone number, 1-866-350-7644, using their checking account and routing number. There is no extra charge for this service.
Late Applicants

- An employee or dependent enrolling for coverage more than 31 days from the date first eligible or 31 days of the qualifying event is considered a late enrollee.
- Applicants without a qualifying life event (that is, marriage, divorce, newborn child, adoption, loss of spousal coverage, etc.) are subject to the late entrant guidelines as noted below.
- Voluntary cancellation of coverage is not a qualifying event unless it is done at open enrollment. For example, if a spouse/partner is covered through his/her employer and voluntarily cancels the coverage, it is not a qualifying event to be added to the other spouse’s/partner’s plan. The spouse who cancelled the coverage must wait until the next open enrollment to be eligible to enroll. However, if each spouse has different open enrollment dates and drops coverage during their annual open enrollment period, the spouse is eligible to enroll.

Medical

- Late applicants will be deferred to the next plan anniversary date of the group and may reapply for coverage 30 days before the anniversary date.

Dental

- An employee or dependent may enroll at any time; however, coverage is limited to preventive and diagnostic services for the first 12 months. No coverage for most basic and major services for first 12 months (24 months for orthodontics).
- Late entrant provision does not apply to enrollees less than age five.

Life and LTD

- Late applicants will be deferred to the next plan anniversary date of the group and may reapply for coverage 30 days before the anniversary date.
- The applicant will be required to complete an individual health statement/questionnaire and provide EOI.

Example

Group has $50,000 life with $20,000 guarantee issue limit
Late enrollee enrolling for $50,000 would not automatically get the $20,000
Since the applicant is late they must medically qualify for the entire $50,000

Licensed, Appointed Producers

- Only appropriately licensed agents/producers appointed by Aetna may market, present, sell and be paid commission on the sale of Aetna products.
- License and appointment requirements vary by state and are based on the contract state of the small employer group being submitted.
- To become appointed with Aetna go to [www.aetna.com/insurance-producer/index.html](http://www.aetna.com/insurance-producer/index.html) and click Start working with Aetna.

Medicare (MSP) for CMS Reporting

- Each year all carriers must report to CMS (Centers for Medicare & Medicaid Services) the number of Medicare secondary payer (MSP) groups and the number of employees, based on the number of employees provided by the employer.
- MSP is the term used by Medicare when Medicare is not responsible for paying first. This is generally when the Aetna plan would pay primary to Medicare for active employees and would pay first when there are 20 or more total employees (full and part time) for 20 or more weeks during this calendar year or prior calendar year.
  - Include: full time, part time, seasonal, temporary, union, owners, partners, officers.
  - Exclude: self-employed persons, independent contractors (1099), directors, leased employees.
**Municipalities and Townships**

- A township is generally a small unit that has the status and powers of local government.
- A municipality is an administrative entity composed of a clearly defined territory and its population, and commonly denotes a city, town, or village. A municipality is typically governed by a mayor and city council, or municipal council. In most counties a municipality is the smallest administrative subdivision to have its own democratically elected officials.

**Underwriting requirements**

1. Quarterly wage and tax statement (QWTS) is required.
2. W-2: elected or appointed officials and trustees "may" be eligible for group coverage based on the charter or legislation. If so, they may not be on the QWTS rather they may be paid via W-2 and must provide a copy of their W-2.
3. If elected officials are to be covered, provide a copy of the charter or contract indicating which classes or employees are to be covered, the minimum hours required to work per week to be eligible for coverage, and confirmation that coverage will be offered to all employees who meet the minimum number and participation will be maintained.

**Newly Formed Business (in operation less than 3 months)**

Newly formed businesses may be considered if the following are provided:

**Sole proprietor**
A copy of the business license (not a professional license).

**Partnership or limited liability partnership**
A copy of the partnership agreement.

**Limited liability company**
A copy of the articles of organization or the operating agreement to include the signature page(s) of all officers.

**Corporation**
A copy of the articles of incorporation that includes the signature page(s) of all officers.

Each newly formed business must also provide:

- Proof of employer identification number/federal tax ID number; and
- QWTS. If not available, when will one be filed; and
- The most recent four consecutive weeks (two cycles) of payroll records that includes hours worked, taxes withheld, check number and wages earned; or
- A letter from a CPA with the following information:
  1. A list of all employees, to include owners, partners, officers (full time and part time)
  2. Number of hours worked by each employee
  3. Weekly salary for each employee
  4. Date of hire for each employee
  5. Whether payroll records have been established
  6. When a QWTS will be filed

**Open Enrollment**

- Employees are permitted to join the plan, add dependents or make changes (if applicable) during a 30 day open enrollment period, usually at renewal of the group policy.
Out-of-State (OOS) Employees

Medical
- There cannot be another state with more employees working in that state, than in New York.
- Any employee located in CT, NJ and NY (situs area) but not residing in an Open Access Elect Choice® (OA EPO)/Open Access Managed Choice® (OA MC) network will be enrolled in an indemnity benefit plan.
- Savings Plus is only available for in area employees.
- Out-of-state employees must be enrolled in an OAEPO plan if available; otherwise, an indemnity plan.
- Hawaii and Vermont – health coverage is not available.
- PPO is not available in North Dakota.
- Louisiana – employees residing in Louisiana are required to have a separate plan quoted and sold based on Louisiana rates and benefits. These employees are still underwritten as part of the group; however, the plans and rates for the Louisiana members will not be based on where the employer is located. This will require Louisiana employer and employee applications to be completed.
- Go to Producer World for the multi-state locator tool www.aetna.com/insurance-producer.html#open

Dental
- Members who reside out of state (OOS) will receive the same plan as in-state members (based on state rules and network availability). This applies to DMO, PPO and FOC dental plans.
- If an OOS member resides in a state that does not allow the in-state plan, those members will be placed into an available PPO or indemnity plan.

Life and LTD
- Employees are eligible for the same life plan selected by the employer.

Participation Medical

NYC community plans
- Contracts issued for the NYC Community Plan do not require a minimum participation.

Open Access Managed Choice/EPO (round down)
- Noncontributory plans (employer pays all)
  - 100 percent participation is required, after subtracting valid waivers with a minimum of two enrolling.
- Contributory plans
  - 60 percent participation is required after subtracting valid waivers, with a minimum of two enrolled.
- Noncontributory and contributory plans
  - Waivers are defined as spousal, Medicare, Medicaid or VA.
  - Groups that do not meet the participation requirements are eligible to enroll during open enrollment, November 15 through December 15, for a January 1 effective date.
  - Every eligible employee listed on the quarterly wage and tax statement must complete an enrollment form or waiver form.
  - Other coverage sponsored by the same employer does not count as a valid waiver.
  - Participation will not apply at renewal.

HMO
- No participation rules can be applied for HMO business at initial issue or renewal.
**Participation Dental**

Noncontributory plans (employer pays all)
- 100 percent participation is required, excluding valid waivers.

**Standard contributory with medical or standalone (round to the nearest whole number)**
- 2 to 3 eligible employees – 100 percent must enroll, excluding valid waivers. Minimum of two eligible employees must enroll.
- 4 to 50 eligible employees – 75 percent must enroll, excluding valid waivers. Minimum of two and 50 percent of total eligible employees must enroll.

**Voluntary contributory with medical or standalone (round to the nearest whole number)**
- 3 to 50 eligible employees – 30 percent and a minimum of three must enroll, excluding valid waivers.
- If a group does not qualify for a standard plan and has 30 percent or more participation, then group qualifies for voluntary.

**Standard and voluntary**
- Employees may select coverage for eligible dependents under the dental plan even if they elected single coverage on the medical plan or vice versa.
- Coverage can be denied based on inadequate participation.

**Valid waivers**
- Spousal/parental group coverage.

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**Participation Life and LTD**

**Life**
- 2 to 9 eligible employees – 100 percent must enroll.
- 10 to 50 eligible employees employer pays all – 100 percent must enroll.
- 10 to 50 eligible employees employee contributes – 75 percent must enroll.

**LTD simplified plans 10 to 50 eligible employees**
- Employer pays all – 100 percent must enroll.
- Employee contributes – 50 percent must enroll.

**All plans**
- Coverage can be denied based on inadequate participation.
- COBRA/state continuation enrollees are not eligible.
- Retirees are not eligible.
- Employees may elect life/disability coverage even if they do not elect medical coverage and the group must meet the required participation percentage. If not, life/disability coverage will be declined for the group.

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**PEO (Professional Employer Organization) Groups Covered Under a PEO**
- A group currently with a PEO may be eligible as long as the PEO provides payroll specific to the small group and we can determine it is a small group even though the small group may be reported under the PEO tax ID, the group may be considered, subject to underwriting approval.
- A letter of intent is not needed.
Plan Change Employee Level

**Medical**
- Employees are not eligible to change plans until the group’s open enrollment period, which is upon their annual renewal (except for qualified special enrollment events – marriage, divorce, newborn child, adoption, loss of spousal coverage, etc).

**Dental**
- Freedom-of-Choice—employees may change from DMO to PPO and vice versa at any time.

**Life and LTD**
- Employees are not eligible to change plans until the group’s open enrollment period, which is upon their annual renewal.

Plan Change Group Level

**Medical**
- Groups may change plans on the plan anniversary date only.

**Dental**
- Dental plans must be requested 30 days before the desired effective date.
- The future renewal date of the change will be the same as the medical plan anniversary date.

**Life and LTD**
- Groups may change plans on the plan anniversary date only.

Prior Aetna Coverage

- Groups that we have terminated for nonpayment must pay all premiums owed before a new plan will be issued.

Rate Guarantee

- Medical rates are guaranteed for one year (12 months).
- Dental rates are guaranteed for one year (12 months) unless the anniversary date of the dental is different than the medical. If the dental product is added off the original medical anniversary date, this does not apply.
- Life rates are guaranteed for one year (12 months).

Rating

- Illustrative quotes should be processed via the quoting tools in Producer World.
- Medical plans are community rated.

Replacing Other Group Coverage

- The employer should be told not to cancel any existing medical or dental coverage until they have been notified of approval from the Aetna Underwriting unit.
- Dental: provide a copy of the benefit summary for PPO, FOC and indemnity plans to receive credit for:
  - Major and orthodontic coverage for standard 2 to 9 and voluntary 3 to 50 eligible employees; and
  - Preventive and basic coverage for voluntary plans.

Signature Dates

- The Aetna employer application and all employee applications must be signed and dated before and within ninety days of the requested effective date.
- All employee applications must be completed by the employee himself/herself.
Special Enrollment

Special enrollment upon loss of coverage:

When an employee, or dependent, loses coverage, they may be eligible for special enrollment. A current employee and any dependents (including the employee’s spouse) each are eligible for special enrollment in any benefit package under the plan if:

- The employee and the dependents are otherwise eligible to enroll in the benefit package;
- When coverage under the plan was previously offered, the employee or dependent had coverage under any group health plan or health insurance coverage; and
- The employee or dependent satisfies the conditions of special enrollment set forth below.

Conditions for special enrollment:

- Loss of eligibility for coverage. In the case of an employee or dependent who has coverage that is not COBRA continuation coverage, the conditions of this paragraph are satisfied at the time the coverage is terminated as a result of loss of eligibility (regardless of whether the individual is eligible for or elects COBRA continuation coverage). Loss of eligibility for coverage under this paragraph includes:
  - Legal separation
  - Divorce
  - Cessation of dependent status (such as a dependent turning 26)
  - Death of an employee
  - Termination of employment or reduction in hours
- In the case of Exclusive Provider Organization (EPO) coverage, loss of coverage occurs when:
  - An individual no longer resides, lives or works in the service area (whether or not it was their choice)
  - No other benefit package is available to the individual
- Loss of eligibility under this paragraph does not include a loss due to the failure of the employee or dependent to pay premiums on a timely basis or termination of coverage for cause (such as making a fraudulent claim or an intentional misrepresentation of a material fact in connection with the plan).
- Termination of employer contributions.
- Exhaustion of COBRA continuation coverage.

Applying for special enrollment and effective date of coverage:

- A plan or issuer must allow an employee a period of at least 30 days after an event described above to request enrollment (for the employee or the employee’s dependent). Coverage must begin no later than the first day of the first calendar month beginning after the date the plan or issuer receives the request for special enrollment.
Special Enrollment (continued)

**Special enrollment with respect to certain dependent beneficiaries - individuals eligible for special enrollment:**

- **Current employee only** – if a person becomes a dependent of the individual through marriage, birth, adoption, or placement for adoption.
- **Spouse of a participant only**, if either:
  - The individual becomes the spouse of a participant; or
  - The individual is a spouse of a participant and a child becomes a dependent of the participant through birth, adoption, or placement for adoption.
- **Current employee and spouse.** A current employee and an individual who is or becomes a spouse of such an employee, if either:
  - The employee and the spouse become married; or
  - The employee and spouse are married and a child becomes a dependent of the employee through birth, adoption, or placement for adoption.
- **Dependent of a participant only.** An individual is described in this paragraph if the individual is a dependent of a participant and the individual has become a dependent of the participant through marriage, birth, adoption, or placement for adoption.
- **Current employee and a new dependent.** A current employee and an individual who is a dependent of the employee, are described in this paragraph if the individual becomes a dependent of the employee through marriage, birth, adoption, or placement for adoption.
- **Current employee, spouse, and a new dependent.** A current employee, the employee’s spouse, and the employee’s dependent are described in this paragraph if the dependent becomes a dependent of the employee through marriage, birth, adoption, or placement for adoption.

**Applying for special enrollment and effective date of coverage**

- **Request**
  - We allow an individual a period of at least 30 days after the date of the marriage, birth, adoption, or placement for adoption to request enrollment (for the individual or the individual’s dependent).
  - If dependent coverage is not generally made available at the time of the marriage, birth, adoption, or placement for adoption, we allow an individual a period of at least 30 days after the date the plan makes dependent coverage generally available to request coverage.
- **Date coverage begins**
  - Marriage. In the case of marriage, coverage begins on the first day of the first calendar month beginning after the date we receive the request for special enrollment.
  - Birth, adoption, or placement for adoption. Coverage begins in the case of a dependent’s birth on the date of birth and in the case of a dependent’s adoption or placement for adoption on the date of such adoption or placement for adoption (or, if dependent coverage is not made generally available at the time of the birth, adoption, or placement for adoption, the date the plan makes dependent coverage generally available).

**Spin-Off Groups**

- **(current Aetna customers leaving an Aetna group only)**
  - Aetna will consider the group with the following:
    - A letter from the group or broker indicating the group is enrolling as a spin-off. Letter needs to include the name of the group they are spinning off from.
    - Ownership documents showing that the spin-off company is a newly formed separate entity.
    - A minimum of two weeks payroll. If the group that is spinning off has been in business longer than two weeks, payroll will be required for the amount of time in business up to a maximum of six consecutive weeks.

**Standard Industrial Classification (SIC) Codes**

- All industries are eligible for medical plans.
- Dental, life and LTD have ineligible industries.
- The dental ineligible list does not apply when dental is sold in combination with medical.
Groups with 1 to 9 enrolled employees and 10 to 50 enrolled employees with no prior coverage must provide the following:

- A copy of the most recent quarterly wages and tax statement (QWTS) that includes the names and wages of all employees of the employer group.
  - Newly hired, terminated, part time, retirees, seasonal, and temporary employees should be noted accordingly on the QWTS.
  - Any handwritten comments added to the QWTS must be signed and dated by the employer. The underwriter may request payroll in questionable situations.

- Other documentation may be requested by Aetna Underwriting upon receipt and review of sold case documents.

- Seasonal industries, such as lawn and garden services, construction, concrete and paving, golf courses, farm laborers, etc., must provide four consecutive quarters of wage and tax reports to verify consistent, continuous employment of eligible employees.

- Nonprofit groups may provide payroll documents as long as they also submit the appropriate form detailing their nonprofit status.

- Churches must provide Form 941, including a copy of the payroll records with employee names, wages and hours, which must match the totals on Form 941.

- Sole proprietors, partners and corporate officers not listed on the QWTS need to complete the Aetna Small Group Proof of Eligibility Form (located at [www.aetna.com/employer-plans/small-business/index-smallgroup.html](http://www.aetna.com/employer-plans/small-business/index-smallgroup.html)) and submit one of the following identified documents. This list is not all inclusive. The employer may provide any other documentation to establish eligibility.

### Sole proprietor
- Franchise
- Limited liability company (LLC) (operating as a sole proprietor)

- IRS Form 1040 along with Schedule C (Form 1040)
- IRS Form 1040 along with Schedule SE (Form 1040)
- IRS Form 1040 along with Schedule F (Form 1040)
- IRS Form 1040 along with Schedule K-1 (Form 1065)
- Any other documentation the owner would like to provide to help determine eligibility

### Partner
- Partnership
- Limited liability partnership

- IRS Form 1065 Schedule K-1
- IRS Form 1120 S (Schedule K-1) along with Schedule E (Form 1040)
- Partnership agreement if established within two years – eligible partners must be listed on agreement
- Any other documentation the owner would like to provide to help determine eligibility

### Corporate officer
- S-corporation

- IRS Form 1120 S (Schedule K-1) along with Schedule E (Form 1040)
- IRS Form 1040 ES (estimated tax) (S-corp)
- Articles of incorporation if established within two years – corporate officers must be listed
- Any other documentation the owner would like to provide to help determine eligibility
<table>
<thead>
<tr>
<th>Tax Documents (continued)</th>
<th>Corporate officer</th>
<th>Corporate officer</th>
</tr>
</thead>
<tbody>
<tr>
<td>• C-corporation</td>
<td>• If the officers/owners are on the quarterly wage and tax statement, no additional documents are needed</td>
<td></td>
</tr>
<tr>
<td>• Limited liability</td>
<td>• 1120 (corporation income tax return)</td>
<td></td>
</tr>
<tr>
<td>company (LLC) operating</td>
<td>• 1120 A (corporation short-form income tax return)</td>
<td></td>
</tr>
<tr>
<td>as C-corporation</td>
<td>• Articles of incorporation if established within two years—corporate officers must be listed</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Any other documentation the owners would like to provide to help determine eligibility</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Corporate officer</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Personal service</td>
<td>• IRS Form 1120 W (personal service corp)</td>
</tr>
<tr>
<td>corporation</td>
<td>• Articles of incorporation if established within two years—corporate officers must be listed</td>
</tr>
<tr>
<td></td>
<td>• Any other documentation the owner would like to provide to help determine eligibility</td>
</tr>
</tbody>
</table>

Groups with 10 to 50 enrolled employees with prior coverage must provide the following:

- No documentation is required: a QWTS or prior carrier bills is not needed.
- Upon request, the underwriter will contact the broker if a QWTS is necessary.

### Two or More Companies—Affiliated, Associated or Multiple Companies, Common Ownership

Employers who have more than one business with different tax identification numbers (TINs) may be eligible to enroll as one group if the following are met:

- One owner has controlling interest in all businesses to be included; or
- The owner files (or is eligible to file) an Affiliations Schedule, IRS Form 851, a combined tax return for all companies to be included. If they are eligible but choose not to file Form 851, please indicate as such.
- A copy of the latest filed tax return must be provided; and
- All businesses filed under one combined tax return will be considered a single group. For example, if the employer has three businesses and files all three under one combined tax return, then all three businesses must be enrolled for coverage, as long as you have one decision maker and the total eligible for all groups does not exceed 50. If the request is for only two of the three businesses to be enrolled, the group will be considered a carve-out.
- The enrolling business (the group that is being used as the policy name) as well as the other businesses to be combined must have the minimum number of employees required by the state.
- There are 50 or fewer employees in the combined employer groups.
- A completed Common Ownership form is submitted.
- Businesses with equal controlling interest may be considered, if the owners of the company designate an individual to act on behalf of all the groups.
- Underwriting reserves the right to final underwriting review, and may consider common ownership on a case-by-case basis.

#### Example

One owner has controlling interest of all companies to be included:
- Company 1: Jim owns 75 percent and Jack owns 25 percent
- Company 2: Jim owns 55 percent and Jack owns 45 percent

Both companies can be written as one group since Jim has controlling interest in both.
**Vision**

- Available to groups with two or more eligible employees.
- No minimum participation or contribution is required.
- The employer may only offer one vision plan to all employees.
- To enroll, submit a list of employees and dependents with vision plan indicated. The list can be sent via e-mail, Word doc, Excel spreadsheet or EList. You can also mark “vision” on the employee application.
- The initial premium can be included with payment for medical, dental or life, or can be separate.
- Waivers are not needed as participation is not required.

**Waiting Period**

- Insurers may not set waiting periods. Employers may set a waiting period for new employees from 0–90 days.
- Insurers must give newly eligible employees an enrollment period of at least 30 days.
- At initial submission of the group, the benefit waiting period (BWP) may be waived upon the employer’s request. This should be checked on the employer application.
- The BWP for future employees may be the 1st or 15th of the month following 0 days, 30 days, 60 days, or exactly 90 days following the date of hire.
- A change to the BWP may only be made on the plan anniversary date.
- No retroactive changes will be allowed.
- Date of hire BWP is not available.
- One or two BWPs may be selected and must be consistently applied within a class of employees as defined by the employers such as management versus non-management, hourly versus salaried, etc.
- BWPs must be consistently applied to all employees, including newly hired key employees.
- For new hires, the eligibility date will be the first day of the policy month following the waiting period, not to exceed 90 calendar days from the date of hire. Policy month refers to the contract effective date of the 1st or 15th.
- If “0” days is selected and the employee is hired on the 1st of the month, the effective date will be the date of hire.
- If “Exactly 90 Days” is selected the enrollment eligibility date will begin 90 calendar days from the date of hire.
- If the group has a 15th of the month bill cycle, the new hire will be effective on the 15th of the month following date of hire.

<table>
<thead>
<tr>
<th>Examples</th>
<th>1st of the month following the BWP</th>
<th>15th of the month following the BWP</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 days</td>
<td>Date of hire: 4/1</td>
<td>Date of hire: 4/1</td>
</tr>
<tr>
<td></td>
<td>Effective date: 4/1</td>
<td>Effective date: 4/15</td>
</tr>
<tr>
<td>0 days</td>
<td>Date of hire: 4/18</td>
<td>Date of hire: 4/18</td>
</tr>
<tr>
<td></td>
<td>Effective date: 5/1</td>
<td>Effective date: 5/15</td>
</tr>
<tr>
<td>30 days</td>
<td>Date of hire: 4/18</td>
<td>Date of hire: 4/18</td>
</tr>
<tr>
<td></td>
<td>Effective date: 6/1</td>
<td>Effective date: 6/15</td>
</tr>
<tr>
<td>60 days</td>
<td>Date of hire: 4/18</td>
<td>Date of hire: 4/18</td>
</tr>
<tr>
<td></td>
<td>Effective date: 7/1</td>
<td>Effective date: 7/15</td>
</tr>
<tr>
<td>90 days</td>
<td>Date of hire: 4/18</td>
<td>Date of hire: 4/18</td>
</tr>
<tr>
<td>exact</td>
<td>Effective date: 7/16 not 8/1 –</td>
<td>Effective date: 7/16 not 8/15 –</td>
</tr>
<tr>
<td></td>
<td>exactly 90 days from the date of hire</td>
<td>exactly 90 days from the date of hire</td>
</tr>
</tbody>
</table>
## Dental

### Coverage Waiting Period

<table>
<thead>
<tr>
<th>Standard 2 to 9 eligible employees and voluntary 3 to 50 eligible employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>• PPO and indemnity plans – for major and orthodontic services employees must be an enrolled member of the employer’s plan for one year before becoming eligible. Orthodontic is only available to groups with 10 or more employees.</td>
</tr>
<tr>
<td>• DMO – there is no waiting period.</td>
</tr>
<tr>
<td>• Discount plans do not qualify as previous coverage.</td>
</tr>
<tr>
<td>• Future hires – waiting period applies regardless if takeover for voluntary plans.</td>
</tr>
<tr>
<td>• Virgin group (no prior coverage) – the waiting periods apply to employees at case inception as well as any future hires.</td>
</tr>
<tr>
<td>• Takeover/Replacement cases (prior coverage) – you must provide a copy of the last billing statement and schedule of benefits in order to provide credit. If a group’s prior coverage did not lapse more than 90 days, the waiting periods are waived. In order for the waiting period to be waived, the group must have had a dental plan in place that covered major (and orthodontic, if applicable) immediately preceding our takeover of the business.</td>
</tr>
</tbody>
</table>

**Example**

Prior major coverage but no orthodontic coverage
Aetna plan has coverage for both major and orthodontic
The waiting period is waived for major services but not for orthodontic services

<table>
<thead>
<tr>
<th>Standard 10 to 50 eligible employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>• No waiting period.</td>
</tr>
</tbody>
</table>

### Creditable Prior Coverage

<table>
<thead>
<tr>
<th>Voluntary plans</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Plans that cover preventive and basic services will satisfy our requirements for having prior creditable coverage as long as the member was covered for 12 months under a dental plan within the last 90 days that included both preventive and basic coverage. You must provide a copy of the schedule of benefits to receive credit.</td>
</tr>
<tr>
<td>• Preventive only or discount plans do not meet the requirements for having prior creditable coverage. These groups will continue to be written as having no prior coverage.</td>
</tr>
</tbody>
</table>
## Dental

### Ineligible Industries

- All industries are eligible if sold with medical.
- The following industries are not eligible when dental is sold standalone or packaged only with life.

<table>
<thead>
<tr>
<th>Industry Code</th>
<th>Industry Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>7933–7933</td>
<td>Bowling Centers</td>
</tr>
<tr>
<td>8611–8611</td>
<td>Business Associations</td>
</tr>
<tr>
<td>7911–7911</td>
<td>Dance Studios, Schools</td>
</tr>
<tr>
<td>7999–7999</td>
<td>Miscellaneous Amusement/Recreation</td>
</tr>
<tr>
<td>8699–8699</td>
<td>Miscellaneous Membership Organizations</td>
</tr>
<tr>
<td>8999–8999</td>
<td>Miscellaneous Services</td>
</tr>
<tr>
<td>7922–7929</td>
<td>Theatrical Producers, Bands, Orchestras, Actors</td>
</tr>
<tr>
<td>7991–7991</td>
<td>Physical Fitness Facilities</td>
</tr>
<tr>
<td>8811–8811</td>
<td>Private Households</td>
</tr>
<tr>
<td>8621–8651</td>
<td>Professional Membership Organizations, Labor Unions, Civic Social and Fraternal Organizations, Political Organizations</td>
</tr>
<tr>
<td>7361–7363</td>
<td>Employment Agencies</td>
</tr>
<tr>
<td>7941–7948</td>
<td>Professional Sports Clubs &amp; Producers, Race Tracks</td>
</tr>
<tr>
<td>7992–7997</td>
<td>Public Golf Courses, Amusements, Membership Sports &amp; Recreation Clubs</td>
</tr>
<tr>
<td>8661–8661</td>
<td>Religious Organizations</td>
</tr>
</tbody>
</table>

### Open Enrollment

An open enrollment is a period when any employee can elect to join the dental plan without penalty, regardless if they previously declined coverage during the first 31 days of initial eligibility.

**Standard plans with medical or standalone**

- 2 to 9 eligible employees – no open enrollment.
- 10 to 50 eligible employees – employees/dependents who do not enroll when initially eligible are now eligible to enroll during a subsequent open enrollment period without being subject to the late entrant provision.

**Voluntary plans with medical or standalone**

- 1 to 50 eligible employees – no open enrollment.

### Option Sales

- Option sales alongside another dental carrier are not allowed.
- All dental plans must be sold on a full replacement basis.

### Product Packaging

- Refer to the plan guide dental footnotes page for plan availability.

### Reinstatement

(Members once enrolled who have previously terminated their coverage by discontinuing their contributions may not re-enroll for a period of 24 months. All coverage rules will apply from the new effective date including, but not limited to, the coverage waiting period.)
Life and disability

Actively-at-Work

• Employees who are both disabled and away from work on the date their insurance would otherwise become effective will become insured on the date they return to active full time work one full day.

Continuity of Coverage (no loss/no gain)

• The employee will not lose coverage due to a change in carriers. This protects employees who are not actively at work during a change in insurance carriers.

• If an employee is not actively at work, we will waive the actively-at-work requirement and provide coverage for a maximum of 12 months from the policy effective date, except no benefits are payable if the prior plan is liable. If the employee has not returned to active work before the end of the 12-month period, conversion must be offered.

Evidence of Insurability (EOI)

Evidence of insurability (EOI) means the person must complete an individual health statement and may have to submit to medical records at their expense. EOI is required when one or more of the following conditions exist:

1. Life insurance coverage amounts requested are above the guaranteed standard issue limit.
2. Late enrollee – coverage is not requested within 31 days of eligibility for contributory coverage.
3. New coverage is requested during the anniversary period.
4. Coverage is requested outside of the employer’s anniversary period due to qualifying life event (that is, marriage, divorce, newborn child, adoption, loss of spousal coverage, etc.).
5. Reinstatement or restoration of coverage is requested.
6. Dependent coverage option was initially refused by employee but requested later. The dependent would be considered a late entrant and subject to EOI, and may be declined for medical reasons.
7. Requesting life insurance at the individual level and they are a late enrollee even if enrolling on the case anniversary date. Late enrollees are not eligible for the guarantee issue limit.

Example

Group has $50,000 life with $20,000 guarantee issue limit
Late enrollee enrolling for $50,000 would not automatically get the $20,000
Since the applicant is late, they must medically qualify for the entire $50,000

Guaranteed Issue Coverage

• We provide certain amounts of life insurance to all timely entrants without requiring an employee to answer any medical questions. These insurance amounts are called “guaranteed issue.”

• Employees who apply for higher insurance amounts will be required to submit evidence of insurability (EOI), which means they must complete a medical questionnaire and may be required to provide medical records.

• On-time enrollees who do not meet the requirements of EOI will receive the guaranteed issue life amount.

• Late enrollees must qualify for the entire amount and are not guaranteed any coverage.
Life and disability

**Job Classification (Position) Schedules**

- Varying levels of coverage based on job classifications are available for groups with 10 or more lives.
- Up to three separate classes are allowed (with a minimum requirement of three employees in each class).
- Items such as probationary periods must be applied consistently within a class of employee.
- The benefit for the class with the richest benefit must not be greater than five times the benefit of the class with the lowest benefit even if only two classes are offered. For example, a schedule may be structured as follows:

<table>
<thead>
<tr>
<th>Position/job class</th>
<th>Basic term life amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executives</td>
<td>$50,000</td>
</tr>
<tr>
<td>Managers, supervisors</td>
<td>$20,000</td>
</tr>
<tr>
<td>All other employees</td>
<td>$10,000</td>
</tr>
</tbody>
</table>

**Ineligible Industries**

**QRS life 2 to 50 eligible employees**

- All industries are eligible.

**Life simplified plans 10 to 50 eligible employees**

<table>
<thead>
<tr>
<th>Description</th>
<th>SIC code(s)</th>
<th>Description</th>
<th>SIC code(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hunting, Trapping &amp; Game Propagation</td>
<td>971</td>
<td>Fire Arms &amp; Ammunition</td>
<td>3482–3489</td>
</tr>
<tr>
<td>Mining – Metal</td>
<td>1011–1081</td>
<td>Trucking &amp; Courier Services, Except Air</td>
<td>4212–4214</td>
</tr>
<tr>
<td>Mining – Coal</td>
<td>1221–1241</td>
<td>Transportation – Water/Air</td>
<td>4412–4581</td>
</tr>
<tr>
<td>Mining – Oil and Gas</td>
<td>1311–1389</td>
<td>Detective, Guard &amp; Armored Car Service</td>
<td>7381</td>
</tr>
<tr>
<td>Mining – Nonmetallic Minerals, Except Fuels</td>
<td>1411–1499</td>
<td>Amusement Parks</td>
<td>7996</td>
</tr>
<tr>
<td>Manufacturing – Logging &amp; Sawmills</td>
<td>2411–2429</td>
<td>Memberships Sports and Recreation Clubs</td>
<td>7997</td>
</tr>
<tr>
<td>Manufacturing – Industrial Inorganic Chemicals</td>
<td>2812–2819</td>
<td>County/Cities/Municipalities</td>
<td>9111–9211</td>
</tr>
<tr>
<td>Manufacturing – Fertilizers/ Pesticides/Explosives</td>
<td>2865–2892</td>
<td>Public Order and Safety</td>
<td>9221–9229</td>
</tr>
<tr>
<td>Asbestos Products</td>
<td>3291–3299</td>
<td>Nonclassified Establishments</td>
<td>9999</td>
</tr>
</tbody>
</table>
### Ineligible Industries (continued)

<table>
<thead>
<tr>
<th>Description</th>
<th>SIC code(s)</th>
<th>Description</th>
<th>SIC code(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture, Forestry, Fishing</td>
<td>0111 – 0971</td>
<td>Transportation – Water/Air</td>
<td>4412 – 4581</td>
</tr>
<tr>
<td>Mining</td>
<td>1011 – 1499</td>
<td>Transportation Services</td>
<td>4783 – 4789</td>
</tr>
<tr>
<td>General Building Contractors – Residential</td>
<td>1521 – 1542</td>
<td>Sanitary Services</td>
<td>4952 – 4959</td>
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<tr>
<td>Highway &amp; Street Construction</td>
<td>1611</td>
<td>Automotive Dealers &amp; Gasoline Stations</td>
<td>5511 – 5599</td>
</tr>
<tr>
<td>Bridge Tunnel &amp; Elevated Highway</td>
<td>1622 – 1629</td>
<td>Liquor Stores</td>
<td>5921</td>
</tr>
<tr>
<td>Roofing, Siding, Sheet Metal</td>
<td>1761</td>
<td>Fuel Dealers</td>
<td>5983 – 5989</td>
</tr>
<tr>
<td>Concrete Work</td>
<td>1771</td>
<td>Security/Commodity Brokers &amp; Dealers</td>
<td>6211 – 6289</td>
</tr>
<tr>
<td>Construction Special Trade Contractors</td>
<td>1791</td>
<td>Real Estate Agents and Managers</td>
<td>6531</td>
</tr>
<tr>
<td>Excavation Work</td>
<td>1794</td>
<td>Hotels, Rooming Houses, Camps</td>
<td>7011 – 7041</td>
</tr>
<tr>
<td>Wrecking and Demolition Work</td>
<td>1795</td>
<td>Laundry, Cleaning &amp; Garment Services</td>
<td>7211 – 7219</td>
</tr>
<tr>
<td>Meat Processing</td>
<td>2011 – 2015</td>
<td>Beauty Shops</td>
<td>7231</td>
</tr>
<tr>
<td>Manufacturing – Tobacco Products</td>
<td>2111 – 2141</td>
<td>Barber Shops</td>
<td>7241</td>
</tr>
<tr>
<td>Manufacturing – Logging &amp; Sawmills</td>
<td>2411 – 2429</td>
<td>Shoe Repair Shops</td>
<td>7251</td>
</tr>
<tr>
<td>Pulp Mills</td>
<td>2611</td>
<td>Misc Personal Services</td>
<td>7299</td>
</tr>
<tr>
<td>Paper Mills</td>
<td>2621</td>
<td>Services to Dwellings and Other Buildings</td>
<td>7342 – 7349</td>
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<tr>
<td>Paperboard Mills</td>
<td>2631</td>
<td>Detective, Guard &amp; Armored Car Services</td>
<td>7381</td>
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<tr>
<td>Alkalies &amp; Chlorine</td>
<td>2812</td>
<td>Automotive Repair &amp; Services</td>
<td>7513 – 7549</td>
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<tr>
<td>Industrial Gases</td>
<td>2813</td>
<td>Motion Pictures</td>
<td>7812 – 7841</td>
</tr>
<tr>
<td>Manufacturing – Fertilizers/ Pesticides/Explosives</td>
<td>2865 – 2892</td>
<td>Amusement &amp; Recreation Services</td>
<td>7911 – 7999</td>
</tr>
</tbody>
</table>
## Ineligible Industries (continued)

<table>
<thead>
<tr>
<th>Industry Description</th>
<th>NAICS Codes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Petroleum Refining</td>
<td>2911 – 2999</td>
</tr>
<tr>
<td>Manufacturing – Asbestos Products</td>
<td>3274 – 3281</td>
</tr>
<tr>
<td>Asbestos Products</td>
<td>3291 – 3299</td>
</tr>
<tr>
<td>Primary Metal Industries</td>
<td>3310 – 3325</td>
</tr>
<tr>
<td>Nonferrous Foundries</td>
<td>3364 – 3369</td>
</tr>
<tr>
<td>Fire Arms &amp; Ammunition</td>
<td>3482 – 3489</td>
</tr>
<tr>
<td>Transportation – Railroad</td>
<td>4011 – 4013</td>
</tr>
<tr>
<td>Transportation – Taxicabs/ Buses/Trucking</td>
<td>4111 – 4173</td>
</tr>
<tr>
<td>US Postal Service</td>
<td>4311</td>
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<tr>
<td>Offices &amp; Clinics of Medical Doctors</td>
<td>8011 – 8049</td>
</tr>
<tr>
<td>Skilled Nursing Facilities</td>
<td>8051</td>
</tr>
<tr>
<td>Child Day Care Services</td>
<td>8351</td>
</tr>
<tr>
<td>Membership Organizations</td>
<td>8611 – 8699</td>
</tr>
<tr>
<td>Service – Private Households</td>
<td>8811</td>
</tr>
<tr>
<td>Services NEC</td>
<td>8999</td>
</tr>
<tr>
<td>County/Cities/Municipalities</td>
<td>9111 – 9199</td>
</tr>
<tr>
<td>National Security</td>
<td>9711</td>
</tr>
<tr>
<td>Nonclassifiable Establishments</td>
<td>9999</td>
</tr>
</tbody>
</table>

## Medical Underwriting

### New business medical evaluation
- At new business time, any dependents enrolling for coverage are guaranteed issue and not subject to evidence of insurability (EOI).
- Employees who apply for insurance above the guaranteed issue amounts listed below must submit EOI, which means they must complete an individual health statement/questionnaire.

### Guarantee issue amounts

<table>
<thead>
<tr>
<th>Case size</th>
<th>Basic term life amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2 to 9 eligible employees</td>
<td>$20,000</td>
</tr>
<tr>
<td>10 to 25 eligible employees</td>
<td>$75,000</td>
</tr>
<tr>
<td>26 to 50 eligible employees</td>
<td>$100,000</td>
</tr>
</tbody>
</table>

- Only those employees who have an unacceptable medical condition will be reduced to the guaranteed issue amount. The rest of the employees will be issued the higher amount if they medically qualify.

### Example
- Applying for $50,000
- 54-year-old male
- Heart attack six months ago, no surgery
- Reduced to $20,000 life
- All other employees will be issued $50,000
Life and disability

**New Hire – On-time**
- New hires who apply for insurance amounts above the guaranteed issue amounts must submit EOI, which means they must complete a medical questionnaire.
- If the employee has unacceptable medical conditions, the employee will be reduced to the guaranteed issue amount.

**New Hire – Late Enrollee**
- Late applicants will be deferred to the next plan anniversary date of the group and may reapply for coverage 30 days before the anniversary date.
- The applicant will be required to complete an individual health statement/questionnaire and provide EOI.
- Late enrollees must qualify for the entire amount and are not guaranteed any coverage.

**Example**
Group has $50,000 life with $20,000 guarantee issue limit
Late enrollee enrolling for $50,000 would not automatically get the $20,000
Since the applicant is late they must medically qualify for the entire $50,000