

3/22 Small Business Group Life Underwriting Guidelines

Eligibility:

- ◆ 2-100 employees with over 50% of the total group located in California, subject to Out-of-Area Requirements below.
- ◆ Owner-only groups are not eligible. There must be a minimum of one W-2 employee who is not a spouse of the owner or partner.
- ◆ Out-of-Area Requirements
 - A maximum of 49% of the group's eligible population may be out of state.
- ◆ Probationary period for new hires can be first of the month following: date of hire, 1 month, 30 days, or 60 days. *Note:* the probationary period must match Medical.
- ◆ "Flat" benefit schedules only.
- ◆ Benefits reduce to 65% of the original benefit at age 65, and further reduce to 50% of the original benefit at age 70.
- ◆ Contribution and participation requirements vary by group size. *Note:* Unlike Medical, waiving for other coverage will count against participation.
- ◆ Carve-outs are not available.
- ◆ Employees must meet the actively-at-work requirement in order to be eligible. Additionally, they must be working full-time at the employer's regular place of business at least 20 hours per week to be eligible. *Note:* The number of hours must coincide with Health Net medical eligibility guidelines.
- ◆ Retirees, COBRA enrollees, part-time employees, seasonal employees, and 1099s are not eligible for coverage.

Medical Evidence of Insurability:

- ◆ EOIs are necessary:
 - If coverage is applied for later than 31 days after the date of eligibility.
- ◆ Subject to Underwriting Approval:
 - Medical conditions reported on the EOI.
 - Coverage requiring EOIs will not become effective until approved in writing by Health Net Life.
 - Some SIC classifications are excluded.

Submission:

- ◆ All cases requesting coverage on the 1st must be submitted by the 5th of the month for which coverage is to be effective.
- ◆ For medical groups that are effective on the 15th of the month, Life coverage will be effective on the first of the month prior to the start of medical coverage. For example, for medical groups that are effective on 1/15/2015, Life coverage will be effective on 1/1/2015.

Groups of 2-9 Eligible Employees:

- ◆ Standalone Life is not available.
- ◆ Life benefit of \$15,000.
- ◆ Employer contribution and participation must be 100%.
- ◆ No more than 25% of employees may be 60 or older.

Groups of 10-14 Eligible Employees:

- ◆ Standalone Life is available.
- ◆ Life benefit of \$15,000.
- ◆ Minimum of 50% employer contribution.
- ◆ Minimum participation:
 - 75% if contributory.
 - 100% if non-contributory.

Groups of 15-24 Eligible Employees:

- ◆ Standalone Life is available.
- ◆ Life benefit of \$15,000 or \$25,000.
- ◆ Minimum of 50% employer contribution.
- ◆ Minimum participation:
 - 75% if contributory.
 - 100% if non-contributory.

Groups of 25-100 Eligible Employees:

- ◆ Standalone Life is available.
- ◆ Life benefit of \$15,000, \$25,000, or \$50,000.
- ◆ Minimum of 50% employer contribution.
- ◆ Minimum participation:
 - 75% if contributory.
 - 100% if non-contributory.