



# 1-100 Small Group Underwriting guidelines

Designed for agents and producers

Effective January 2017

# Important contact information

## Small Group Underwriting address

Anthem  
P.O. Box 9042  
Oxnard, CA 93031-9042

## Small Group Underwriting

New business: [newsguwca@anthem.com](mailto:newsguwca@anthem.com)  
Existing business: [sguwca@anthem.com](mailto:sguwca@anthem.com)  
New business telephone: 1-855-239-9251

## For overnight delivery only

Anthem  
Small Group Underwriting  
4553 La Tienda Drive  
Thousand Oaks, CA 91362

## Small Group Customer Service

Telephone: 1-855-854-1429  
Hours: 8 a.m. to 6 p.m. PT (Monday-Friday)

## Broker Services

Telephone: 1-800-678-4466  
Email: [agent.support@anthem.com](mailto:agent.support@anthem.com)  
Hours: 8:30 a.m. to 5 p.m. PT (Monday-Thursday)  
8:30 a.m. to 3 p.m. PT on Friday

## Rapid Quote

Telephone: 1-877-275-3700  
Email: [rapidquote@anthem.com](mailto:rapidquote@anthem.com)

## Workers' Compensation new business

Employers Compensation Insurance Company  
P.O. Box 9057  
Oxnard, CA 93031-9057  
Telephone: 1-888-682-6671

## Anthem website

[anthem.com/ca](http://anthem.com/ca)

## Making Health Care Reform Work

[makinghealthcarereformwork.com](http://makinghealthcarereformwork.com)

## For Agents & Producers section of website

My user ID: \_\_\_\_\_

My password: \_\_\_\_\_

## To order supplies

Fax: 1-877-255-4015  
(fax completed Agent Supply Request form only)

Online: [brokerportal.anthem.com/ehb/web/bkr/acc/login.htm?wlp-brand=anthem](http://brokerportal.anthem.com/ehb/web/bkr/acc/login.htm?wlp-brand=anthem)

## View these guidelines and other documents online

Go to [anthem.com/ca](http://anthem.com/ca) and select **Producers**. Then, log in and select **Sales and Training**. From there, you can view, download and print forms and documents.

## Anthem Dental Prime and Complete Connect team

Telephone: 1-877-567-1802  
Hours: 5 a.m. to 5 p.m. PT (Monday-Friday)  
Email: [connectca@anthemdentaladmin.com](mailto:connectca@anthemdentaladmin.com)  
Mail: Anthem Connect  
730 S. Broadway  
Gilbert, MN 55741

## Summary of Benefits and Coverage (SBC) links

- 2013 and prior years pre-ACA-compliant plans: [find-sbc.com](http://find-sbc.com)
- 2014 -2016 ACA-compliant plans: [sbc.anthem.com](http://sbc.anthem.com)
- Producer Tool Box: [brokerportal.anthem.com/ehb/group/bkr/stl/product-information](http://brokerportal.anthem.com/ehb/group/bkr/stl/product-information)

Census enrollment: [brokerportal.anthem.com/ehb/web/bkr/acc/login.htm](http://brokerportal.anthem.com/ehb/web/bkr/acc/login.htm)

Easy renew: [anthem.com/easyrenew](http://anthem.com/easyrenew)

Producer news: [news.anthem.com/ca](http://news.anthem.com/ca)

Quoting tool: [brokerportal.anthem.com/ehb/web/bkr/acc/login.htm](http://brokerportal.anthem.com/ehb/web/bkr/acc/login.htm)

## Standard Industry Classification (SIC) codes

- [listsareus.com/business-sic-codes.htm#codes](http://listsareus.com/business-sic-codes.htm#codes)
- [osha.gov/pls/imis/sicsearch.html](http://osha.gov/pls/imis/sicsearch.html)

# Table of contents

Thank you for choosing Anthem.....	1
------------------------------------	---

## Section 1

Overview of the underwriting process.....	2
---	---

1 What to submit .....	2
2 Census enrollment.....	2
3 Completing forms.....	2
4 Submission timeline.....	3
5 New group submission criteria.....	3

## Section 2

General underwriting guidelines for new business .....	4
--	---

1 Group eligibility requirements .....	4
2 Employee eligibility requirements.....	4
3 Residents of Hawaii .....	5
4 Contribution .....	5
5 Medical plan participation.....	6
6 Medical plan names.....	6
7 Product types.....	7
8 Network options.....	7
9 Dental coverage .....	8
10 Vision coverage .....	9
11 Life coverage.....	9
12 Disability.....	10
13 Premium only plan (POP).....	11
14 Workers' compensation .....	12
15 Rating policies .....	12
16 Rate and benefit guarantee.....	12
17 Waiting periods.....	12
18 Takeover provisions.....	12
19 Prior deductible credit/annual maximum copay/ dental benefit waiting period credit.....	13
20 Dependent eligibility .....	13
21 Federal regulations .....	13
22 State regulations .....	14

## Section 3

California underwriting business requirements.....	15
--	----

1 Sole proprietors .....	15
2 Corporations .....	15
3 Partnerships.....	15
4 Limited partnerships (LPs) .....	16
5 Limited liability partnerships (LLPs).....	16
6 Limited liability companies (LLCs).....	16
7 Start-up companies .....	17
8 Professional employer organization (PEO) spin-off groups.....	17
9 Union versus nonunion.....	17
10 Churches .....	17
11 Households.....	17

## Section 4

General underwriting guidelines for existing business	18
---	----

1 Open enrollment period .....	18
2 Benefit modifications .....	18
Benefit modification job aid.....	19

## Section 5

Definitions.....	23
------------------	----

## Section 6

Forms.....	24
------------	----

# Thank you for choosing Anthem

At Anthem Blue Cross (Anthem), our goal is to provide you with clear guidance so you can help your clients choose the best health care options.

We want to help you grow your book of business, increase client retention and create an easy-to-do-business-with environment.

Remember, agents are not authorized to bind or guarantee issue coverage. Anthem will make the final decision to accept or decline a case. Please advise your prospective clients to maintain their current coverage until we notify them in writing that Anthem has approved their coverage.

While Anthem is committed to keep all parties informed of any changes to these Small Group Underwriting guidelines in a timely manner, Anthem may change these guidelines at any time without prior notice.

*The information contained in these guidelines is intended for use by authorized agents only and should **not** be copied or distributed for any other purpose.*



# Overview of the underwriting process

## 1 What to submit

The following documentation is required when submitting new business:

- a. A copy of agent's quote (based on final enrollment)
- b. The most current *Employer Enrollment Application/Fillable Application* including the COBRA/FMLA/Cal-COBRA questionnaire; the last billing statement listing COBRA/Cal-COBRA subscribers, if applicable
- c. The most current employee enrollment applications for Small Groups from all employees who are enrolling
- d. Waivers from all employees not electing coverage (proof of coverage may be required)
- e. A copy of the company's most recent *Quarterly State Tax Withholding Report* with the current employment status of all employees listed\* (payroll may be required)
  - 1st quarter due with state by 4/30
  - 2nd quarter due with state by 7/31
  - 3rd quarter due with state by 10/31
  - 4th quarter due with state by 1/31
- f. If "takeover" coverage, a copy of the prior carrier's last month's group premium for all lines of coverage
- g. A completed *Electronic Debit Payment* form for 100% of the first month's premium made payable to Anthem (If electronic debit is not agreed to, a company check may be accepted, subject to additional processing time)
- h. Anthem is required by the Internal Revenue Service and Centers for Medicare & Medicaid (CMS) regulations to collect Social Security numbers

**Note:** Anthem Small Group plans cannot be sold or utilized in conjunction with any product, whether insured or self-funded, that funds any annual deductible, copayment, coinsurance or out-of-pocket expense of the health benefit plan (i.e., "wrapping").

## 2 Census enrollment

Groups can also enroll using our Census Enrollment tool. The following documentation is required:

- *Employer Application*
- *Census Enrollment* form
- *Quarterly State Tax Withholding Report* (DE 9C)
- Legal documents for groups (refer to pages 15-17)
- *Electronic Debit Payment* form for 100% of first month's premium

**Note:** Agents should retain *Employee Application* and *Employee Waiver* forms.

To access the Census Enrollment tool, go to [brokerportal.anthem.com/ehb/web/bkr/acc/login.htm](https://brokerportal.anthem.com/ehb/web/bkr/acc/login.htm). After logging in, select the **Sales and Training** tab. From there, select the **Small Group Business Customer Forms** tab. Then, select **Excel Census Tool**.

## 3 Completing forms

Please ensure all questions are answered and signatures and dates obtained. Please confirm the following before submitting:

- a. No alterations to preprinted materials will be accepted.
  - Only the employer may fill in, change or modify the *Employer Application*.
  - Only the employee may fill in, change or modify the *Employee Application*.
- b. Whenever an individual has a language barrier and requires assistance to properly complete the application, the application must be submitted with a signed Anthem *Statement of Accountability/Translator Statement* from the group or the agent.

\* See section 3, California Underwriting Business Requirements for Sole Proprietors, Partners or Corporate Officers not appearing on the Quarterly State Tax Withholding Report.

# Overview of the underwriting process

## 4 Submission timeline

For new group submission, make sure all required forms are completed accurately and included with your submissions.

- a. Anthem will accept new group submissions for the following effective dates:
  - First of the month – by the 5th working day of the month
  - 15th of the month – by the 12th calendar day of the month
- b. If Anthem requests any additional information prior to making a new group determination, it should be received within 10 days of the original request.
- c. If the information submitted is incomplete and subsequently not received in a timely manner, the group's application may be withdrawn for the month requested.
- d. It is the agent's responsibility to notify the Underwriting department prior to approval if a change in the requested effective date is to be considered. A request for change will be required in writing from the employer.

**Note:** Effective date changes will not be accepted after approval.

## 5 New group submission criteria

Underwriting is based on the following criteria:

- a. Employee and dependent eligibility
- b. Employer contribution
- c. Employee participation
- d. Health status for life coverage only (evidence of insurability will be required for life underwriting only if over guaranteed amount)

# General underwriting guidelines for new business

## 1 Group eligibility requirements

Any group qualifying as a small employer and meeting the following eligibility requirements is eligible for Anthem's Small Group health plans on a guaranteed issue and guaranteed renewability basis. To qualify for Anthem coverage, a group must meet the following criteria:

- a. For plan years commencing on or after January 1, 2016, a small employer is defined as an employer employing an average of at least one, but no more than 100 full-time, including full-time equivalent, employees during the preceding calendar year and who employs at least one employee on the first day of the plan year. For purposes of determining employer eligibility in the small employer market, California adopted the federal method for counting full-time employees and full-time equivalent employees. (SB 125, 2015).
- b. Group must be a person, firm, proprietary or nonprofit corporation, partnership, public agency or Guaranteed Association. The employer must be actively engaged in business or service.
- c. Group must have and maintain business licensure and/or appropriate state filings allowing the company to conduct business in California.
- d. Group must not have been formed primarily for the purpose of obtaining health insurance.
- e. Group must involve a bona fide employer-employee relationship.
- f. An individual who wholly owns the company on his/her own or with his/her spouse/domestic partner, a partner in a partnership, a 2% S Corp shareholder, a worker described in Section 3508 of Title 26, Internal Revenue Code, or a leased employee (as defined in 26 U.S.C. § 414(n)(2)) does not qualify as an employee for purposes of group eligibility.

**Aggregation rules** – All employers treated as a single employer under section 414(b), (c), (m) or (o) of the Internal Revenue Service Code are treated as a single employer for purposes of determining group size. Therefore, all employees of a controlled group of entities under section 414(b) or (c), an affiliated service group under section 414(m), or an entity in an arrangement described under section 414(o), are taken into account in determining whether the members of the controlled group or affiliated service group together are an applicable large employer.

**Affiliated companies** – Companies that are affiliated and eligible to file a combined tax return for purposes of state taxation shall be considered one employer.

The following are examples of groups that are not considered small employers:

- Owners on their own or with their spouses/domestic partners, officers or partners
- Carve-out groups
- Employer groups with less than 51% of employees working in California

**Note:** Groups wanting to re-apply for Anthem coverage must be in good standing and pay any premium balance due.

## 2 Employee eligibility requirements

- a. Permanent employees who are actively engaged on a full-time basis in the conduct of the business of the small employer, with a normal work week of an average of 30 hours per week over the course of a month, at the small employer's regular place of business, who have met any statutorily authorized applicable waiting-period requirements.
- b. Sole proprietors or partners of a partnership, if they are actively engaged on a full-time basis (average of 30 hours per week over the course of a month) in the employer's small business and included as employees under a health care service plan contract of a small employer.
- c. Permanent employees who work at least 20 hours, but not more than 29 hours, are deemed to be eligible employees if all four of the following apply:
  - The employee otherwise meets the definition of an eligible employee except for the number of hours worked.
  - The employer offers the employees health coverage under a health benefit plan.
  - All similarly situated individuals are offered coverage under the health benefit plan.
  - The employee worked at least 20 hours per normal workweek for at least 50% of the weeks in the previous calendar quarter. The health care service plan may request any necessary information to document the hours and time period in question, including, but not limited to, payroll records and employee wage and tax filings.
- d. Seasonal, temporary or substitute employees, defined as employees hired with a planned future termination date, are not eligible. Employees compensated on a 1099 basis are not eligible.

**Note:** Owners may demonstrate that they meet the eligible employee criteria by providing W-2s or completing an *Eligibility Statement*.

# General underwriting guidelines for new business

## 3 Residents of Hawaii

HAWAII ALERT – Since Anthem is neither a Hawaii authorized insurer nor a Hawaii Health Care Contractor, our benefits may not match the requirements of the Prepaid Health Care Act. We recommend that you obtain direct quotes for either an individual policy for employees who live and work in Hawaii, or if there are several employees within an employer group to obtain group coverage from a Hawaii authorized insurer. This would ensure that all the state requirements are met.

## 4 Contribution

Employers may choose their preferred approach for contributing to employee health premiums. Payroll deduction is required, if contributory. Employers have the following contribution options:

### Medical

- **Traditional option** – A minimum contribution of 50% of each employee's monthly health premium
- **Fixed-dollar option** – Any fixed-dollar amount \$100 or greater (in \$5 increments) for each covered employee's health premium
- **Percentage and plan option** – A minimum of 50% toward a specific plan, chosen by the employer

**Note:** During the annual open enrollment period of November 15 to December 15, contribution requirements will not be enforced. The effective date will be January 1 of the following year.

### Dental

For voluntary plans, employers may contribute between 0% and 49%.

### Vision

- Employer-sponsored plans require employer to contribute between 50% and 100%.
- For voluntary plans, employers may contribute between 0% and 49%.

### Life

- Employers must contribute a minimum of 25% of each covered employee's monthly life premium. Payroll deduction is required, if contributory.



## 5 Medical plan participation

The group participation requirements are:

- 70% – groups with 1-14 eligible employees
- 50% – groups with 15 or more eligible employees
- Minimum participation is 100%, if noncontributory

Anthem may conduct periodic audits to confirm participation levels.

The group must maintain the corresponding minimum participation levels in order to remain eligible. Groups are subject to cancellation or nonrenewal if participation falls below the required minimum.

**Note:** During the annual open enrollment period of November 15 to December 15, participation requirements will not be enforced. The effective date will be January 1 of the following year.

For purposes of calculating participation, the following are considered valid waivers, subject to receipt of a declination and proof of other coverage, such as:

- Employer-sponsored group coverage through another employer
- Medi-Cal
- Medicare
- United States military coverage
- Individual waiver on and off exchange

**Note:** An owner of multiple entities will not be considered a valid waiver if the owner is declining due to coverage under another entity in which he/she holds ownership.

## 6 Medical plan names

- a. **Anthem Platinum** – These provide the highest level of benefits, and employees often pay less when they get care. However, these plans have the highest monthly premiums.
- b. **Anthem Gold** – These provide richer benefits than the Silver and Bronze plans, and employees pay less when they get care. However, the monthly premium is higher than with those plans.
- c. **Anthem Silver** – These offer affordable monthly premiums, but compared to the Bronze plans, employees pay less when they get care.
- d. **Anthem Bronze** – These feature broad benefits and the lowest monthly premiums, but employees pay more when they get care; deductibles, copays and cost shares may be higher than with the other plans.

The metal structure represents actuarial values (AVs) and can be used to compare how overall cost sharing differs across plans. Minimum and maximum AVs for each type of plan include:

- Platinum 88%/92%
- Gold 78%/82%
- Silver 68%/72%
- Bronze 58%/62%

# General underwriting guidelines for new business

## 7 Product types

- **Preferred provider organization (PPO)** – Allows members to go directly to any in-network provider. There is no need to choose a primary care physician (PCP) or get a referral to see other doctors.
- **Health maintenance organization (HMO)** – Requires members to choose a PCP. A referral is required to see other doctors.
- **Health savings account (HSA)** – A savings account for certain plans that members can fund with pretax dollars and use to pay for qualified health care expenses, including prescriptions. This is often used with a consumer-driven health plan.

## 8 Network options

### PPO

- **Prudent Buyer PPO network** – Access to nearly 60,000 California doctors and specialists, and more than 330 hospitals
- **SELECT PPO network** – Access to more than 40,000 California doctors and specialists, and more than 300 hospitals

**Note:** Employers may choose only one PPO network.

### HMO

- **CaliforniaCare HMO network** – Access to more than 42,000 California doctors and specialists, and more than 330 hospitals
- **SELECT HMO network** – Access to more than 26,000 California doctors and specialists, and nearly 250 hospitals

**Note:** Employers may choose only one HMO network.

Employers must select a network for each plan type. For example, the employer may offer employees plans available in the SelectHMO network alongside the Prudent Buyer PPO network. Not all network options are available in every area.

## 9 Dental coverage

Small Groups with 2-100 employees may choose one Dental Net DHMO plan and one Dental Complete PPO plan.

### Dental Net DHMO

Available for 2-100 employees, a minimum of two employees must enroll.

- 70% participation — groups with 2-14 eligible employees
- 50% participation — groups with 15 or more eligible employees
- Minimum participation is 100%, if noncontributory
- Dual option (employer can select two plans to offer to employees) is available for groups with at least 10 net eligible employees. A minimum of two employees must enroll in each of the two options and the two plans offered must have a 20% premium differential

**Note:** Dental Net DHMO office numbers are required.

### Dental Complete PPO Classic and Enhanced

- 2-4 eligible employees: 100% of eligible employees not covered by another dental plan (and a minimum of two employees) are required to enroll.
- 5-14 eligible employees: A minimum of 70% of employees not covered by another dental plan are required to enroll. A minimum of two employees must enroll.
- 15+ eligible employees: A minimum of 50% of employees not covered by another dental plan are required to enroll. A minimum of two employees must enroll.
- Dual option (employer can select two plans to offer to employees) is available for groups with at least 10 net eligible employees. A minimum of two employees must enroll in each of the two options and the two plans offered must have a 20% premium differential.

### Voluntary dental plans

Available for groups of 5-100 eligible employees:

- A minimum of five employees must enroll (there is no participation percentage requirement for our voluntary plans).
- Dual option (employer can select two plans to offer to employees) is available, with a minimum of five employees required to enroll in each plan. You may choose one Voluntary Dental Net DHMO plan and one Voluntary Dental Complete PPO plan.

### Pediatric dental

All of our Small Group health plans include pediatric dental essential health benefits (EHBs), which provide important coverage for children up to age 19. Benefits include preventive care, fillings and more extensive services such as medically necessary orthodontia.

### Medlock

**Packaged enrollment:** All members enrolled in the Anthem medical plan must enroll in an Anthem Complete PPO dental plan. The medical plan billing must be included with new group submission materials. Dental tiering must be identical on the medical and dental plans. Example: Enrollees with single medical coverage must also have single dental coverage; enrollees with family medical coverage must also have identical family dental coverage.

# General underwriting guidelines for new business

## 10 Vision coverage

Anthem now offers Blue View Vision<sup>SM</sup>.

### Employer sponsored

- Available for 2-100 employees
- A minimum of two employees must enroll
- 70% participation – groups with 2-14 eligible employees
- 50% participation – groups with 15 or more eligible employees
- Minimum participation is 100%, if noncontributory
- Dual option is available (employer can select two plans to offer to employees). Employer may choose a maximum of two plans, but may not pair a voluntary plan with an employer-sponsored plan. Dual option requires at least 10 eligible employees. Two or more employees must enroll in each option

### Voluntary vision

- Available for 5-100 employee Small Groups; a minimum of five subscribers must enroll. Choose a maximum of two plans.
- Dual option is available (employer can select two plans to offer to employees). Employer may choose a maximum of two plans, but may not pair a voluntary plan with an employer-sponsored plan. Dual option requires at least 10 eligible employees. Five or more employees must enroll in each option
- Voluntary vision is available as a stand-alone product or in conjunction with medical, dental and/or life.

### Pediatric vision

All of our Small Group health plans include pediatric vision essential health benefits (EHBs), which provide coverage for vision exams and glasses or contacts for children up to age 19. Members can see any provider in the Blue View Vision<sup>SM</sup> network, which includes retailers such as 1-800 CONTACTS<sup>®</sup>, LensCrafters<sup>®</sup>, Sears Optical<sup>SM</sup>, Target Optical<sup>®</sup> and JCPenney<sup>®</sup> Optical.

### Adult exam-only

All Small Group health plans include an adult exam-only benefit.

### Medlock

Packaged enrollment: All members enrolled in the Anthem medical plan must enroll in vision. The medical

plan billing must be included with new group submission materials. Vision tiering must be identical on the medical and vision plans. Example: Enrollees with single medical coverage must also have single vision coverage; enrollees with family medical coverage must also have identical family vision coverage.

## 11 Life coverage

Anthem offers a variety of life coverage options, including term life, dependent life and voluntary/optional life.

### a. Options

#### Term life

##### Group size 2-9

- Flat amount benefit options of \$25,000, \$30,000 and \$50,000
- Salary-based benefit = 1x annual earnings
- Guaranteed issue is \$30,000

##### Group size 10-100

- Flat benefit amount from \$25,000 to \$500,000 in \$1,000 increments
- Salary-based benefits of 1x, 2x, 3x, 4x or 5x annual earnings
- Groups that are also taking optional or voluntary plans may have flat benefits in the amounts of \$10,000, \$15,000 or \$20,000
- Up to 5 classes may be offered
- Guaranteed issue varies by group size

#### Dependent life

##### Group size 2-9

- \$10,000 spouse/\$5,000 each child
- \$5,000 spouse/\$2,500 each child

##### Group size 10-100

- \$20,000 spouse/\$10,000 each child
- \$15,000 spouse/\$7,500 each child
- \$10,000 spouse/\$5,000 each child
- \$5,000 spouse/\$2,500 each child
- \$2,000 spouse/\$1,000 each child
- All dependent life amounts are guaranteed issue
- Dependent life benefit is up to 50% of life amount

**Optional/voluntary life**

Only available to groups of 10-100

- Flat amounts from \$10,000 to \$500,000 in \$5,000 increments
- 1x, 2x, 3x, 4x or 5x annual earnings
- Employee must be enrolled in basic term life coverage
- Spouse – flat benefit available from \$10,000 to \$500,000 in \$5,000 increments
- Child – available in \$5,000, \$10,000 and \$15,000 increments

## b. Participation requirements

**Term life**

- 75% participation – groups with 1-14 eligible employees
- 75% participation – groups with 15 or more eligible employees
- Minimum participation is 100%, if noncontributory
- A minimum of two subscribers must enroll

**Dependent life**

- 50% participation of eligible employees with dependents

**Optional/voluntary life**

- The greater of 20% of eligible employees or five employees must enroll. If the Enrollment Participation Program (EPP) is selected, the participation percentage is waived and a minimum of 10 enrolled employees is required.

**Note:** COBRA or Cal-COBRA applicants are not eligible for life insurance.

## c. Contributions

Term life – Employer must contribute a minimum of 25% for contributory plans.

Dependent life – 100% employee paid, or employer may contribute at the employer's discretion.

Optional/voluntary life – 100% employee paid

d. Dependent life is available in conjunction with employee life only on a guaranteed issue basis for:

- Groups of 2-9:
  - \$10,000 spouse/\$5,000 child age 15 days to 26 years
  - \$5,000 spouse/\$2,500 child age 15 days to 26 years
- Groups of 10-100:
  - \$20,000 spouse/\$10,000 child age 15 days to 26 years
  - \$10,000 spouse/\$5,000 child age 15 days to 26 years
  - \$5,000 spouse/\$2,500 child age 15 days to 26 years

Dependent child coverage is applicable for age 6 months to 26 years.

- e. For all new groups of 10 or more enrolling employees, composite rates will be offered. With composite rates, this means that a qualifying group receives a single rate per \$1,000 of life coverage, and rates are determined by group size, area and SIC code.
- f. Future enrollees and new hires must complete the *Evidence of Coverage* application if the amount chosen is more than the guaranteed issue amount. Life insurance is subject to life underwriting approval.
- g. Basic term life coverage includes accidental death and dismemberment (AD&D) benefits.

**12 Disability**

## a. Options

Groups of 10-100 are eligible to apply for disability.

- Short-term disability
  - Flat amount of \$100, \$150, \$200 or \$250
  - 40% of weekly earnings
  - 50% of weekly earnings
  - 55% of weekly earnings
  - 60% of weekly earnings
  - 67% of weekly earnings
  - 70% of weekly earnings
- Long-term disability
  - 40% of monthly earnings
  - 50% of monthly earnings
  - 60% of monthly earnings
  - 67% of monthly earnings

# General underwriting guidelines for new business

## 12 Disability (continued)

- Voluntary short-term disability
    - Flat amount of \$100, \$200, \$250, or \$500
    - 50% of weekly earnings
    - 60% of weekly earnings
  - Voluntary long-term disability
    - 50% of weekly earnings
    - 60% of weekly earnings
- b. Participation requirements
- Short-term disability
- 75% participation required on contributory plans
  - 100% participation required on noncontributory plans
- Long-term disability
- 75% participation required on contributory plans
  - 100% contribution required on all noncontributory plans
- Voluntary short-term disability and long-term disability
- Available to groups of 10 or more
  - The greater of 10 enrolled employees or 20% participation is required
- c. Contributions
- Short-term and long-term disability — Minimum employer contribution of 25% for contributory plans and 100% for noncontributory plans
  - Short-term disability — Plans 67% and 70% of weekly earnings are noncontributory
  - Long-term disability — Plan 67% of monthly earnings is noncontributory
  - Voluntary short-term disability and voluntary long-term disability — 100% employee paid

## 13 Premium only plan (POP)

POP is an Internal Revenue Service-approved change in the payroll process that allows employers to use pretax salary dollars to pay employees' share of benefit premiums. Any size employer can take advantage of this special provision of Section 125 of the IRS code.

**Note:** The IRS prohibits certain individuals from participating in POPs:

- Sole proprietors
- Partners within a partnership including LLC and LLP
- Owners of an S Corp

Establishing a POP arrangement through WageWorks, Inc. is convenient.<sup>1</sup> The cost of a POP is only \$125 per year. Groups with 10 or more eligible employees on medical and life plans will receive the first year's POP services from WageWorks at no charge. Submit a separate check for the POP premium, made payable to Anthem, along with the POP application.

For more information about POP, contact WageWorks at 1-800-876-7548 (8 a.m. to 5 p.m. CT) or go to [ezpop.com](http://ezpop.com). For tax advice, consult your tax advisor.

For complete details, order the *Employer's Guide to the Premium Only Plan* available online at [anthem.com/easyrenew](http://anthem.com/easyrenew).

**Note:** The POP application cannot be processed until group medical and/or dental, vision and life coverage has been approved. Therefore, the POP effective date assigned by WageWorks may be later than the effective date of the group's medical, dental, vision and life coverage.

<sup>1</sup> WageWorks, an independent company that is not affiliated with Anthem, its affiliates or its parent corporation, provides the required material that allows a group to implement the POP.

## 14 Workers' compensation

Workers' compensation insurance is available in conjunction with medical plans and is underwritten by Employers Compensation Insurance Company. Integrated MediComp combines group health and workers' compensation to provide 24-hour coverage for the employee — all administered through one source.

## 15 Rating policies

- All rates will be based on actual enrollment.
- Rates are calculated based on the employee, spouse, all dependents 21 and older and up to three dependents age 20 and younger; and employer ZIP code.
- Dental, vision and life products include the use of SIC codes in determining rates.
- Medicare primary and secondary rates are the same.

## 16 Rate and benefit guarantee

- Medical rates are guaranteed for a minimum of 12 months. The anniversary month will determine the timing of future adjustments.
- Stand-alone dental has a 12-month rate guarantee.
- If dental is written in conjunction with medical, it will receive the medical rate guarantee.
- Life rates are guaranteed for 12 months.
- Vision rates and benefits are guaranteed for 12 months.
- Rates will adjust for age at contract anniversary.

## 17 Waiting periods

Pursuant to SB 1034 (2014), Anthem will not impose a waiting period. Groups are responsible for providing Anthem with accurate member-eligibility dates, taking into account any group-imposed waiting period. In accordance with SB 1034, groups are responsible for ensuring that any group-imposed waiting period is consistent with Section 2708 of Federal Public Health Service Act (42 U.S.C. Sec. 300gg-7).

Waiting period options are as follows:

- First of the month following date of hire
- First of the month following one month from date of hire
- First of the month following two months from the date of hire, not to exceed 90 days.<sup>1</sup>

The employer has the option to waive the waiting period for all new hires at the initial group enrollment only.

The group's waiting period is applied to all employees in the group with no exceptions for any eligible employee.

**Note:** Dual waiting periods are not allowed.

## 18 Takeover provisions

Small Group takeover provisions comply with the following:

- Any carrier providing replacement coverage with respect to hospital, medical or surgical expense, or service benefits within a period of 60 days from the date of discontinuance of a prior contract or policy providing such hospital, medical or surgical expense or service, benefits will immediately cover all employees and dependents who were validly covered under the previous contract or policy providing such hospital, medical or surgical expense, or service benefits at the date of discontinuance and are within the definitions of eligibility under the succeeding carrier's contract and who would otherwise be eligible for coverage under the succeeding carrier's contract, regardless of any provisions of the contract relating to active full-time employment or hospital confinement or pregnancy.
- However, with respect to employees or dependents who are totally disabled on the date of discontinuance of the prior carrier's contract or policy and entitled to an extension of benefits pursuant to subdivision (b) of Section 1399.62, or pursuant to subdivision (d) of Section 10128.2 of the Insurance Code, the succeeding carrier is not required to provide benefits for services or expenses directly related to any conditions that caused the total disability.

<sup>1</sup> If it exceeds 90 days, the effective date will be the first of the month following one month from the date of hire.

# General underwriting guidelines for new business

## 19 Prior deductible credit/annual maximum copay/dental benefit waiting period credit

- a. For new group submissions, Anthem provides credit for deductibles met under prior takeover group medical or prior takeover group dental coverage if proof of the actual dollar amount is submitted with the first claim. This provision does not apply to new hires.
- b. Credit for a pharmacy deductible is not available, except when the member's prior takeover group coverage was an aggregate plan (e.g., HSA).
- c. Credit for the annual maximum copay is not available, except when the takeover group is moving from Anthem Large Group coverage.
- d. Anthem provides credit for the dental benefit waiting periods if Anthem receives proof of 12 months of prior creditable dental coverage at enrollment and there is no lapse in coverage between carriers.

## 20 Dependent eligibility

An eligible employee may be required to provide proof of dependency. Dependent coverage is available to the following:

- a. Lawful spouse
- b. Registered domestic partner (Family code Section 297)
- c. Disabled dependent child, who at the time of becoming age 26, is incapable of self-sustaining employment by reason of a physically or mentally disabling injury, illness or condition, and is chiefly dependent on the subscriber for support and maintenance. A disabled dependent may be eligible for benefits beyond his or her 26th birthday. The employee will be required to submit physician certification of the child's condition
- d. An employee's, spouse's or registered domestic partner's child under age 26:
  - Natural child
  - Newborn child
  - Stepchild
  - Legally adopted child
  - Ward of legal guardian

- Child for whom the eligible employee has assumed a parent-child relationship (does not include foster children), as indicated by intentional assumption of parental status or assumption of parental duties by the eligible employee. The employee for the annuitant must certify at the time of enrollment of the child and annually thereafter

**Note:** In the case of birth, adoption or placement for adoption, the child will be covered for the first 31 days from the date of birth, adoption or placement for adoption. To continue the plan beyond the 31 days, Anthem must receive an application for coverage of a dependent child within 60 days of the child's eligibility. Coverage will be effective beginning on the date of birth or adoption or placement for adoption following our receipt of the completed Employee Enrollment application.

A child will be considered adopted from the earlier of: 1) the moment of placement in a group member's home; or 2) the date of an entry of an order granting custody of the child to the group member. The child will continue to be considered adopted unless the child is removed from the member's home prior to issuance of a legal decree of adoption.

**Note:** If both parents are covered subscribers through the same employer, their children may be covered as dependents of either, but not both, of the subscribers. Parents have 60 days from the time of the birth, adoption or placement for adoption to submit applications for their dependent children. New spouses and/or domestic partners also have 60 days from date of marriage or affidavit of domestic partnership.

## 21 Federal regulations

- a. Federal TEFRA, DEFRA and COBRA legislation has been enacted to regulate employee health care coverage. Based on this legislation and the limitations of the Anthem agreement, if a business employs, on average, fewer than 20 employees in a year and any employee becomes age 65, then his or her primary carrier must be Medicare. For these employees who are 65 years old and choose to retain their Anthem Small Group coverage, Anthem will apply contract benefits as a secondary carrier for Medicare benefits paid or payable.
- b. When a member is covered by both Medicare and Anthem, and Anthem is secondary, the total benefit provided by Medicare and Anthem should equal but not exceed the benefits of group members who do not have Medicare coverage.



- c. Anthem is secondary to Medicare when one of the following criteria is met:
- If a member is required to pay an additional premium for any part of Medicare and chooses not to enroll in that part, Anthem will pay per contract benefits as primary.
  - If a member is eligible for any part of Medicare that is premium-free and chooses not to enroll in that part, Medicare would be considered primary and the member's Anthem plan would be secondary. Anthem will estimate Medicare's benefit prior to Anthem coordinating coverage for deductibles and coinsurance.

**Anthem is secondary to Medicare when the following criteria are met:**

- The employer has fewer than 20 employees and the member is age 65.
  - Members under 65 are eligible for Medicare due to a disability.
  - Members are enrolled following the first 30 months of kidney dialysis treatments for end-stage renal disease (ESRD).
- d. COBRA – Participation in the employee's benefit plan, as well as coverage under whatever medical programs are provided by the employer to employees and their dependents, may be continued under a federal law known as COBRA for groups that employ 20 or more employees for at least 50% of the previous calendar year. The employer is responsible for administration (within the guidelines established by the federal government for compliance by employer groups).

## 22 State regulations

Cal-COBRA (*SB719*) took effect January 1, 1998. This legislation provides for the continuation of coverage for employees and eligible dependents of qualifying groups with 2-19 employees.

Under California law *AB1401*, Cal-COBRA provides continuation of coverage for groups of 2-19 eligible employees for at least 50% of the working days in the preceding calendar year. Groups of one employee are not eligible for Cal-COBRA. An employee and/or his or her eligible dependents are eligible for continuation of coverage under Cal-COBRA for up to 36 months (if they were enrolled in Cal-COBRA on or after January 1, 2003), if coverage was terminated due to any of the following qualifying events:

- Death of the plan subscriber (continuation for dependents)
- Employee's termination of employment or reduction in hours
- Spouse's divorce or legal separation from the subscriber
- Loss of eligible dependent status of an enrolled child
- Subscriber becoming entitled to Medicare
- Loss of eligible status of enrolled family member

Anthem is currently administering Cal-COBRA. However, brokers and agents are responsible for submitting Cal-COBRA questionnaires, applications and remittance checks with new business.

**Note:** Cal-COBRA rates are 110% of the group rate. Effective January 1, 2008, *AB910* amended existing law to extend the continuation of coverage rights for over-age dependents who are: 1) incapable of self-sustaining employment by reason of physically or mentally disabling injury, illness or condition; and 2) chiefly dependent on the subscriber for support and maintenance. The law sets out new notification timelines, and requires subsequent health care service plans and health insurers to honor continued coverage unless there is a demonstration that the child no longer meets eligibility requirements.

# California underwriting business requirements

## 1 Sole proprietors

A sole proprietor employer must employ at least one common law employee as anyone who performs services for an employer that has the right to control and direct what will be done and how it will be done as defined by federal law and/or IRS guidelines.

Sole proprietors must provide all of the following:

- a. California Business License or Fictitious Business Name Filing
- b. Anthem *Eligibility Statement*
- c. *Quarterly State Tax Withholding Report*, if available
- d. If the owner is not listed showing wages on the *Quarterly State Tax Withholding Report*, the group will also need to provide
  - Current *Schedule C* or *Schedule F for Farms* (If this is not available due to the length of time in business or because there is an extension to file, a California Business License or Fictitious Business Name filing may be substituted)

## 2 Corporations

Corporations must provide all of the following:

- a. *Statement of Information* (Articles of Incorporation with stamped meeting minutes listing names of the officers may be considered)
- b. Anthem *Eligibility Statement* for enrolling officers not on the quarterly wage report
- c. *Quarterly State Tax Withholding Report*, if available, or some other objective indicia of employment
- d. *Tax Form 1120* with *Schedule 1125E* (for C Corp)
- e. *Schedule K-1*

Corporations established out of state will also need to provide a *Certificate of Qualification* or *Statement by Foreign Corporation* in addition to the above documentation.

If the percentage of ownership is zero, the enrolling corporate officer must appear on the *Quarterly State Tax Withholding Report*.

Two percent of S Corp shareholders, owners and spouses or domestic partners of officers or partners do not constitute common law employees.

## 3 Partnerships

A partnership employer must employ at least one common law employee as anyone who performs services for an employer that has the right to control and direct what will be done and how it will be done as defined by federal law.

Partnerships must provide all of the following:

- a. Current *Schedule K-1* (If this is not available due to the length of time in business or because there is an extension to file, a Partnership Agreement and federal tax ID appointment letter may be substituted)
- b. Anthem Eligibility Statement
- c. *Quarterly State Tax Withholding Report*, if available, or some other objective indicia of employment

Owners and spouses or domestic partners of officers or partners do not constitute common law employees.

## 4 Limited partnerships (LPs)

Limited partnerships must provide all of the following:

- a. Current *Schedule K-1* (If this is not available due to the length of time in business or because there is an extension to file, a Partnership Agreement and federal tax ID appointment letter may be substituted.)
- b. Anthem *Eligibility Statement*
- c. *Quarterly State Tax Withholding Report*, if available, or some other objective indicia of employment
- d. If Limited or General Partners are not listed showing wages on the *Quarterly State Tax Withholding Report*, the group will also need to provide the following:
  - Current *Schedule K-1* (If this is not available due to the length of time in business or because there is an extension to file, a *Partnership Agreement* and federal tax ID appointment letter may be substituted)

Limited partnerships established out of state will also require a *Foreign Limited Partnership Application for Registration* (Form #LP-5) filed and stamped by the California secretary of state.

Owners and spouses or domestic partners of officers or partners do not constitute common law employees.

## 5 Limited liability partnerships (LLPs)

Limited liability partnerships (LLPs) must provide all of the following:

- a. *Partnership Agreement* and federal tax ID appointment letter may be required
- b. Anthem *Eligibility Statement*
- c. *Quarterly State Tax Withholding Report*, if available, or some other objective indicia of employment
- d. If partners are not listed showing wages on the *Quarterly State Tax Withholding Report*, the group will also need to provide the following:
  - Current *Schedule K-1* (If this is not available due to the length of time in business or because there is an extension to file, a *Partnership Agreement* and federal tax ID appointment letter may be substituted.)

Limited liability partnerships established out of state will also require a *Registered Limited Liability Partnership Certificate of Registration* filed and stamped by the California secretary of state.

Owners and spouses or domestic partners of officers or partners do not constitute common law employees.

## 6 Limited liability companies (LLCs)

Limited liability companies (LLCs) must provide all of the following:

- a. Articles of Organization with Operating Agreement or Statement of Information
- b. Anthem *Eligibility Statement*
- c. *Quarterly State Tax Withholding Report*, if available, or some other objective indicia of employment
- d. If managing members are not listed showing wages on the *Quarterly State Tax Withholding Report*, the group will also need to provide all of the following:
  - Current *Schedule K-1* (If this is not available due to the length of time in business or because there is an extension to file, a Statement of Information or Articles of Organization with Operating Agreement may be substituted.)

Limited liability companies established out of state will also need to provide a *Limited Liability Company Application* of Registration filed and stamped by the California secretary of state.

A Single Member LLC or Disregarded Entity will be considered to have one owner.

\*Owners and spouses or domestic partners, of officers or partners do not constitute as a common law employee.

# California underwriting business requirements

## 7 Start-up companies

A start-up group can be considered for Small Group coverage.

- Refer to page 4, group eligibility requirements.
- Complete and submit *Conditions of Enrollment/Start-Up Companies/PEO Spin-Off Groups* form.
- Group must provide the first 30 days of payroll within 45 days of the effective date.

Owners and spouses or domestic partners of officers or partners do not constitute common law employees.

## 8 Professional employer organization (PEO) spin-off groups

Employees associated with a PEO are employed by the business listing the employees on its DE9C. A business leasing employees from a PEO cannot cover these employees under Anthem group coverage:

- Refer to page 4, group eligibility requirements.
- Group must provide a copy of PEO client invoice billed to the worksite business, which includes names of each employee previously leased to the worksite employer.
- PEO must sign *Conditions of Enrollment/Start-Up Companies/PEO Spin-Off Groups* form.

## 9 Union versus nonunion

- Refer to page 4, group eligibility requirements.
- A copy of the union roster will be required from the employer identifying union members.
- Groups that exceed 100 employees (combined number of union and nonunion employees) may be considered for Large Group eligibility.

## 10 Churches

- Refer to page 4, group eligibility requirements.
- Members of the clergy who do not appear on the *Quarterly State Tax Withholding Report* should submit a *Schedule SE* or *Form 4361* with IRS approval.

## 11 Households

- Refer to page 4, group eligibility requirements, and pages 15-17, group structures.
- Private household employers who pay annual, rather than quarterly, withholdings will not be eligible.

# General underwriting guidelines for existing business

## 1 Open enrollment period

Once a year, employers must give employees the opportunity to change plans or add dependents not previously enrolled. Employees and/or dependents who do not enroll when first eligible must generally wait until the annual open enrollment period to enroll. However, employees may be eligible to enroll themselves and their dependents before the next open enrollment period if a qualifying event, such as losing other coverage, occurs.

## 2 Benefit modifications

### Group level

Anthem can process your group's benefit modification 30 days prior to the group's anniversary date. The following guidelines apply:

- a. Adding or downgrading a medical plan will only be allowed at the group's anniversary.
- b. Anniversary month changes will be allowed once in a 12-month period, subject to Anthem approval. Change in plan or network will constitute a new rate and benefit guaranteed period.
- c. Increases in life benefits may be subject to Life Underwriting approval.
- d. Employers can make contribution changes once in a 12-month period, subject to Anthem guidelines.
- e. Anthem must be notified of changes in company name, ownership or tax ID number. These changes are subject to Anthem review and approval.

**Note:** Refer to the "Benefit modification job aid" (pages 19-22) to determine when each type of benefit modification may be requested and which documents must accompany your request.

### Member level

- a. Covered members may move to a different product offered by their group at the group's anniversary month.
- b. A member can request a change in medical benefits by completing the *Employee Change Request Form* during the group's anniversary month.

# General underwriting guidelines for existing business

## Benefit modification job aid

Benefit modification	When eligible	Documents necessary
<b>Add or downgrade a medical plan</b>	At a group's anniversary only	<ol style="list-style-type: none"> <li>1. Letter/email from the group signed by owner/officer or renewal documents, if available</li> <li>2. <i>Employee Applications</i> for any new enrollments who are not currently enrolled, or renewal documents, if available</li> </ol>
<b>Change anniversary month</b> Change in plans or networks	First of the month following receipt of all signed documentation	<ol style="list-style-type: none"> <li>1. <i>Anniversary Month Change</i> form <b>Note:</b> By requesting this change, your group's anniversary month will change. You should consult your tax and legal advisors because this change may have an impact on your group's plan year. Request can only be made once in a 12-month period. New rates and benefits may apply.</li> </ol>
<b>Add Dental Net (DHMO) for 2-100</b> (A minimum of two employees must enroll)	First of the month following receipt of all documentation	<ol style="list-style-type: none"> <li>1. Letter/email from the group signed by owner/officer, including contribution amount, or renewal documents</li> <li>2. <i>Employee Applications</i> for any new enrollments who are not currently enrolled, or renewal documents, if available</li> <li>3. Dental Net (DHMO) office numbers</li> </ol>
<b>Add Dental Complete PPO plans for 2-100</b> (A minimum of two employees must enroll; participation requirements apply) Classic and Enhanced plan participation <b>2-4 eligible employees:</b> 100% of eligible employees not covered by another dental plan (and a minimum of two employees) are required to enroll. <b>5-14 eligible employees:</b> A minimum of 70% of employees not covered by another dental plan are required to enroll. A minimum of two employees must enroll. Dual Option (employer can select two plans to offer to employees) is available for groups with at least 10 net eligible employees. A minimum of two employees must enroll in each of the two options and the two plans offered must have a 20% premium differential. <b>15+ eligible employees:</b> A minimum of 50% of employees not covered by another dental plan are required to enroll. A minimum of two employees must enroll. Dual Option (employer can select two plans to offer to employees) is available for groups with at least 10 net eligible employees. A minimum of two employees must enroll in each of the two options and the two plans offered must have a 20% premium differential. <b>Medlock (packaged enrollment):</b> All members enrolled in the Anthem medical plan must enroll in Anthem Complete PPO dental plan. The medical plan billing must be included with new group submission materials. Dental tiering must be identical on the medical and dental plans. Example: Enrollees with single medical coverage must also have single dental coverage; enrollees with family medical coverage must also have identical family dental coverage.	First of the month following receipt of all documentation	<ol style="list-style-type: none"> <li>1. Letter/email from the group signed by owner/officer</li> <li>2. <i>New Employer Application</i> – SIC code required</li> <li>3. <i>Employee Applications</i> for any new enrollments who are not currently enrolled, or renewal documents, if available</li> <li>4. A copy of the Agent quote: <a href="https://brokerportal.anthem.com/ehb/web/bkr/acc/login.htm">brokerportal.anthem.com/ehb/web/bkr/acc/login.htm</a></li> </ol>

Benefit modification	When eligible	Documents necessary
<p><b>Add Voluntary Dental Net DHMO 5-100*</b></p>	<p>First of the month following receipt of all documentation</p>	<ol style="list-style-type: none"> <li>1. Letter/email from the group signed by owner/officer, including contribution amount, or renewal documents</li> <li>2. <i>Employee Applications</i> for any new enrollments who are not currently enrolled, or renewal documents, if available</li> <li>3. Dental Net (DHMO) provider office numbers</li> <li>4. Copy of Agent quote: <a href="https://brokerportal.anthem.com/ehb/web/bkr/acc/login.htm">brokerportal.anthem.com/ehb/web/bkr/acc/login.htm</a></li> <li>5. SIC code required</li> </ol>
<p><b>Add Voluntary Dental Complete PPO 5-100</b>  A maximum of two plans can be chosen, cannot be paired with an employer-sponsored plan.  <b>Note:</b> A minimum of five employees must enroll (there is no participation percentage requirement for our voluntary plans with a minimum of five enrollments in each plan). The two plans offered must have a 20% premium differential.</p>	<p>First of the month following receipt of all documentation</p>	<ol style="list-style-type: none"> <li>1. Letter/email from the group signed by owner/officer</li> <li>2. <i>New Employer Application</i></li> <li>3. <i>Employee Applications</i> for any new enrollments who are not currently enrolled, or renewal documents, if available</li> <li>4. Agent Small Group Quote</li> <li>5. SIC code required</li> </ol>
<p><b>Add Employer Vision 2-100</b>  (A minimum of two employees must enroll; participation requirements apply)  A maximum of two plans may be chosen and cannot be paired with a voluntary vision plan.  <b>Note:</b> Canceled Blue View Vision coverage can only be re-added at anniversary date.</p>	<p>First of the month following receipt of all documentation</p>	<ol style="list-style-type: none"> <li>1. Letter/email from the group signed by owner/officer, including contribution amount</li> <li>2. <i>Employee Applications</i> for any new enrollments who are not currently enrolled, or renewal documents, if available</li> <li>3. Copy of Agent quote: <a href="https://brokerportal.anthem.com/ehb/web/bkr/acc/login.htm">brokerportal.anthem.com/ehb/web/bkr/acc/login.htm</a></li> <li>4. SIC code required</li> </ol>
<p><b>Add Voluntary Vision 5-100</b>  (A minimum of five employees must enroll; participation requirements apply)  A maximum of two plans can be chosen; cannot be paired with an employer-sponsored plan.  <b>Note:</b> Canceled Blue View Vision coverage can only be re-added at anniversary date.</p>	<p>First of the month following receipt of all documentation</p>	<ol style="list-style-type: none"> <li>1. Letter/email from the group signed by owner/officer</li> <li>2. <i>Employee Applications</i> for any new enrollments who are not currently enrolled, or renewal documents, if available</li> <li>3. SIC code required</li> </ol>
<p><b>Add employee life insurance or increase existing coverage</b>  The following amounts are guaranteed issue (GI):  \$30,000 for 2-9 enrolled  \$100,000 for 10-100 enrolled  Coverage amounts over guaranteed issue are subject to life Underwriting approval</p>	<p>First of the month following receipt of all documentation</p>	<ol style="list-style-type: none"> <li>1. Letter/email from the group signed by owner/officer</li> <li>2. <i>New Employer Application</i></li> <li>3. <i>Employee Applications</i> for any new enrollments who are not currently enrolled, or renewal documents, if available</li> <li>4. Evidence of Insurability for any amount over guaranteed issue</li> <li>5. SIC code required</li> <li>6. Copy of Agent quote: <a href="https://brokerportal.anthem.com/ehb/web/bkr/acc/login.htm">brokerportal.anthem.com/ehb/web/bkr/acc/login.htm</a></li> </ol>
<p><b>Add Dependent Life coverage</b>  <b>Groups of 2-9:</b>  \$10,000 spouse/\$5,000 child age 15 days to 26 years  \$5,000 spouse/\$2,500 child age 15 days to 26 years  <b>Groups of 10-100:</b>  \$20,000 spouse/\$10,000 child age 15 days to 26 years  \$10,000 spouse/\$5,000 child age 15 days to 26 years  \$5,000 spouse/\$2,500 child age 15 days to 26 years  \$2,000 spouse/\$1,000 child  <b>Note:</b> Dependent child coverage is applicable for ages 6 months to 26 years.</p>	<p>First of the month following receipt of all documentation</p>	<ol style="list-style-type: none"> <li>1. Letter/email from the group signed by owner/officer, including desired dependent life amount and contribution amount</li> <li>2. <i>New Employer Application</i></li> <li>3. <i>Employee Applications</i> for any new enrollments who are not currently enrolled, or renewal documents, if available</li> <li>4. Copy of Agent quote: <a href="https://brokerportal.anthem.com/ehb/web/bkr/acc/login.htm">brokerportal.anthem.com/ehb/web/bkr/acc/login.htm</a></li> </ol> <p><b>Note:</b> Employee must purchase basic term life/AD&amp;D to be eligible for dependent life.</p>

# General underwriting guidelines for existing business

Benefit modification	When eligible	Documents necessary
<p><b>Add Optional Life coverage</b> Available only to groups with 10 or more employees. (Participation requirements will apply: 20% of total or 10, whichever is greater)</p> <p><b>Add Optional dependent life coverage</b> Available when selecting Optional Life</p> <p><b>Add Long Term Disability and Short Term Disability products 10-100</b> 75% of eligible employees (100% required if noncontributory)</p>	First of the month following receipt of all documentation	<ol style="list-style-type: none"> <li>1. Letter/email from the group signed by owner/officer</li> <li>2. <i>New Employer Application</i></li> <li>3. <i>Employee Applications</i> for any new enrollments who are not currently enrolled, or renewal documents, if available</li> <li>4. Copy of Agent quote: <a href="https://brokerportal.anthem.com/ehb/web/bkr/acc/login.htm">brokerportal.anthem.com/ehb/web/bkr/acc/login.htm</a></li> </ol>
<b>Add part-time employee eligibility</b>	First of the month following receipt of all documentation	<ol style="list-style-type: none"> <li>1. Letter/email from the group signed by owner/officer</li> <li>2. <i>Employee Enrollment Application(s)</i>, requesting or declining coverage for all eligible part-time employees</li> <li>3. <i>New Employer Application</i></li> <li>4. Current <i>Quarterly State Tax Withholding Report</i> reconciled</li> <li>5. <i>Attestation</i> form</li> </ol> <p><b>Note:</b> Additional documentation and review may be required.</p>
<b>Change contribution option</b>	Once in a 12-month period, effective first of the month following receipt of documentation	<ol style="list-style-type: none"> <li>1. Letter/email from group's owner/officer requesting the change</li> </ol>
<p><b>Group demographic changes</b></p> <p><b>Name change</b> with same owner and no new enrollments</p>	First of the month following receipt of all documentation	<ol style="list-style-type: none"> <li>1. Letter/email from group signed by owner/officer requesting the name change</li> <li>2. Fictitious Business Name Filing (sole proprietorship or partnership), or amended Articles of Incorporation (corporations), or amended Articles of Organization (Limited Liability Corp [LLC])</li> <li>3. <i>New Employer Application</i></li> </ol> <p><b>Note:</b> Additional documentation and review may be required.</p>
<b>Name change</b> with new ownership and enrollment changes	First of the month following receipt of all documentation	<ol style="list-style-type: none"> <li>1. Letter/email from group signed by owner/officer requesting the name change</li> <li>2. <i>New Employer Application</i></li> <li>3. <i>Employee Applications</i> for new owners along with the Eligibility Statement completed in full</li> <li>4. Purchase Agreement, Federal Tax ID Letter, Fictitious Business Name Filing (sole proprietorship or partnership), or amended Articles of Incorporation (corporations), or amended Articles of Organization (Limited Liability Corp [LLC])</li> </ol> <p><b>Note:</b> Additional documentation and review may be required.</p>
<p><b>Splits</b></p> <p>If the company maintains or inherits the same employees (covered prior to the split)</p>	First of the month following receipt of all documentation	<ol style="list-style-type: none"> <li>1. Letter/email from group signed by owner/officer requesting the name change</li> <li>2. <i>New Employer Application</i></li> <li>3. <i>Employee Applications</i> for those enrolling in the new entity</li> <li>4. Federal Tax ID Letter, Fictitious Business Name Filing (sole proprietorship or partnership), or Articles of Incorporation (corporations), or Articles of Organization (Limited Liability Corp [LLC])</li> <li>5. The most recent <i>Quarterly Wage and Withholding Report</i> for the original company indicating the status of each employee and who is going where</li> <li>6. Eligibility Statement for owners not listed on <i>Quarterly Wage and Withholding Report</i></li> </ol> <p><b>Note:</b> Additional documentation and review may be required.</p>



Benefit modification	When eligible	Documents necessary
<p><b>Mergers</b> If a company insured with Anthem is merging with another company also insured by Anthem</p>	<p>First of the month following receipt of all documentation</p>	<ol style="list-style-type: none"> <li>1. Letter/email from owner/officer of surviving group explaining and requesting the change</li> <li>2. <i>New Employer Application</i></li> <li>3. Legal documentation of the merger</li> <li>4. The most recent <i>Quarterly Wage and Withholding Report</i> from each company, with the status of each employee</li> <li>5. <i>Employee Applications</i> for all new employees enrolling or declining coverage</li> <li>6. Eligibility Statement for owners not listed on <i>Quarterly Wage and Withholding Report</i> along with documentation of ownership</li> <li>7. Prior carrier bill</li> </ol> <p><b>Note:</b> Additional documentation and review may be required.</p>
<p><b>Acquisition</b> If a company insured with Anthem is acquiring another company also insured with Anthem</p>	<p>First of the month following receipt of all documentation</p>	<ol style="list-style-type: none"> <li>1. Letter/email from group signed by owner/officer explaining and requesting the change</li> <li>2. Legal documentation of the acquisition</li> <li>3. The most recent <i>Quarterly Wage and Withholding Report</i>, with the status of each employee</li> <li>4. <i>New Employer Application</i></li> <li>5. <i>Employee Applications</i> for all new employees enrolling or waiving coverage</li> <li>6. Prior carrier bill from acquired company</li> </ol> <p><b>Note:</b> Additional documentation and review may be required.</p>
<p><b>Acquisition</b> If a company insured with Anthem is acquiring another company <b>not</b> insured with Anthem</p>	<p>First of the month following receipt of all documentation</p>	<ol style="list-style-type: none"> <li>1. Letter/email from group signed by owner/officer explaining and requesting the change</li> <li>2. Legal documentation of the acquisition</li> <li>3. The most recent <i>Quarterly Wage and Withholding Report</i>, with the status of each employee</li> <li>4. <i>New Employer Application</i></li> <li>5. <i>Employee Applications</i> for all new employees enrolling or waiving coverage</li> <li>6. Prior carrier bill from acquired company</li> </ol> <p><b>Note:</b> Additional documentation and review may be required.</p>
<p><b>Add Workers' Compensation plan</b></p>	<p>First of the month following receipt of all documentation</p>	<p>Contact Employers Workers' Compensation Insurance Specialists at 1-888-682-6671.</p>

# Definitions

1. **Late enrollee** — A late enrollee is an eligible employee or dependent who has declined enrollment in a health benefit plan offered by a small employer at the time of the initial enrollment period provided under the terms of the health benefit plan, and who subsequently requests enrollment in a health plan of that small employer, except where the employee or dependent qualifies for a special enrollment period provided that the initial enrollment period will be a period of at least 30 days.

Late enrollees may need to wait until the next open enrollment period to be eligible for coverage.

2. **Guaranteed association** — A nonprofit organization composed of a group of individuals or employers who associate based solely on participation in a specified profession or industry, accepting for membership any individual or employer meeting its membership criteria, and that: 1) includes one or more small employers as defined in subparagraph (A) of paragraph (1) of subdivision (k) of Health and Safety code 1357.500; 2) does not condition membership directly or indirectly on the health or claims history of any person; 3) uses membership dues solely for and in consideration of the membership and membership benefits, except that the amount of the dues will not depend on whether the member applies for or purchases insurance offered to the association; 4) is organized and maintained in good faith for purposes unrelated to insurance; 5) was in active existence on January 1, 1992, and for at least five years prior to that date; 6) has included health insurance as a membership benefit for at least five years prior to January 1, 1992; 7) has a constitution and bylaws, or other analogous governing documents, that provide for election of the governing board of the association by its members; 8) offers any plan contract that is purchased to all individual members and employer members in this state; 9) includes any member choosing to enroll in the plan contracts offered to the association provided that the member has agreed to make the required premium payments; and 10) covers at least 1,000 persons with the health care service plan with which it contracts. The requirement of 1,000 persons may be met if component chapters of a statewide association contracting separately with the same carrier cover at least 1,000 persons in the aggregate.

3. **Qualified event enrollment period** — An eligible employee or dependent should not be considered a late enrollee if the individual meets any of the following criteria:

- He or she, or his or her dependent loses minimum essential coverage, as described in California Health and Safety Code Section 1357.500 (d).
- He or she gains a dependent or becomes a dependent through marriage, birth, adoption or placement for adoption.
- He or she is mandated to be covered as a dependent pursuant to a valid state or federal court order.
- He or she has been released from incarceration.
- His or her health coverage issuer substantially violated a material provision of the health coverage contract.
- He or she gains access to new health benefit plans as a result of a permanent move.
- He or she was receiving services from a contracting provider under another health benefit plan for one of the conditions described in subdivision (c) of Health and Safety Code Section 1373.96 and that provider is no longer participating in the health benefit plan.
- He or she is a member of the reserve forces of the United States military returning from active duty or a member of the California National Guard returning from active duty service.
- He or she demonstrates that he or she did not enroll in a health benefit plan during the immediately preceding enrollment period because he or she was misinformed that he or she was covered under minimum essential coverage.

**Note:** Coverage for individuals who apply during one of the specified special enrollment periods becomes effective:

- No later than the first day of the first calendar month beginning after the date the plan receives the request for special enrollment.
- You have within 60 days from the qualifying event(s) to enroll.

4. **New hires** — Employees in groups who are hired after the group's effective date.
5. **Takeover group/members** — All the eligible employees/dependents of an employer group who were covered as a group by a prior carrier.

# Forms

To access the forms and documents discussed within this guide, visit [anthem.com/ca](https://www.anthem.com/ca), select the **Small Group** tab, the **Sales and Training** tab, and under [external links](#), **West Small Group Supplies**. Or use the **Easy Renew** link provided under *Important Contact Information* to access health care reform documents, as well as prehealth care reform documents.

Form	Form number
<i>Conditions of Enrollment/Start-Up Companies/PEO Spin-Off Groups</i>	12378CAEENABC
<i>Employer Application</i>	38400CAEENABC
<i>Employee Application</i>	37612CAMENABC
<i>Employee Waiver Form</i>	20533CAMENABC
<i>Employee Change Form</i>	41759CAMENABC
<i>Electronic Debit Payment form</i>	58163CAEENABC
<i>Eligibility Statement</i>	12252CAEENABC
<i>Statement of Accountability/Translator form</i>	54046CABENABC
<i>Member Social Security Number Exceptions Request form</i>	28645CAMENABC
<i>Agent Checklist</i>	43043CABENABC
<i>Guaranteed Association Attestation</i>	44723CAEENABC
<i>Contract Code List</i>	45639CABENABC
<i>Anniversary Month Change form</i>	50211CAEENABC
<i>Plan Change Request form</i>	37640CAEENABC

