



Program Management Provided By
Wells Fargo Insurance Services

WBBA Employee Benefit Program Underwriting Guidelines

Group Eligibility

- 1) All groups must be an active, dues-paying member of the WBBA. Proposals issued to qualified prospective groups are released on the condition that membership will be secured by the prospective group prior to the insurance placement with WBBA. Proof of membership is required.
- 2) An enrolling group must be headquartered in Washington state. Additionally, at least 51% of the enrolled employees must reside in Washington state. For Group Health Options coverage, 80% of all covered subscribers must reside within the Group Health Options service area.
- 3) Sole proprietors and partners are eligible for coverage if they are full-time, active in the business and 75% of the owner's income is derived from the business.
- 4) All WBBA selected product offerings must have the same anniversary date. Additional lines of coverage can be added off-anniversary however these policies will renew on one common renewal date.

Employee Eligibility

- 1) An employer-employee relationship must exist. An eligible employee must be permanent, full-time and work a minimum of 20 hours per week. Documentation sustaining this relationship may be required.
- 2) Employees who choose not to enroll themselves or their dependents when initially eligible, must wait until the next open enrollment unless a qualifying event occurs. For supplemental life, guarantee issue amounts are only available to new employees within the first 31 days of eligibility. A member group can only make changes to their eligibility hours or probationary period at their anniversary date.
- 3) The WBBA administers common eligibility between all lines of coverage. Dependent eligibility must flow through the enrolled subscriber (employee). To clarify, if a spouse (or domestic partner if applicable) or dependents are to be covered, their coverage must be identical to the subscriber's (employee's) coverage.
- 4) Retirees, including early retirees, are not eligible for coverage unless otherwise specified.

- 5) Group eligibility policies may vary by employer. WBBA only requires the employer to meet the minimum eligibility qualifications.

Additional Guidelines and Assumptions

- 1) The company must contribute a minimum of 75% towards the employee premium. For non-contributory products such as basic life/AD&D, the employer must pay 100% of the employee premium.
- 2) A minimum of 75% of all eligible employees must participate within each member group. Employee waivers will be required. Qualified reasons for waiving coverage are coverage under spouse, TRICARE, Medicare as primary, collective bargaining unit, Christian Scientist or under COBRA provisions.
- 3) The minimum group size to offer a bundled medical and dental plan is 2 enrolling employees. Bundled vision coverage is available to groups of 5 enrolling employees or more. Life/AD&D coverage is available for groups of 5 or more enrolling employees. The maximum group size eligible for coverage is 199 employees.
- 4) Broker commissions are 5% for medical, dental, vision and basic life/AD&D.
- 5) A minimum of \$10,000 basic life/AD&D coverage is compulsory for groups of 5 or more.
- 6) The 3 visit EAP plan is compulsory for all groups.
- 7) Rates will be guaranteed for twelve months, regardless of the group's effective date with the exception of products added off anniversary. This assumes there are no regulatory or related legislative changes that affect the benefits provided through WBBA.
- 8) Groups of 5 or more may select dual choice within Premera BlueCross product offerings. A minimum of 2 employees must enroll on each plan. Deductible amounts must be within \$1,500 for all dual choice scenarios involving a Health Savings Account (HSA) plan.
- 9) Dual choice between Premera BlueCross and Group Health Options is allowed for any group renewing or sold, assuming 90% of eligible subscribers enroll with Premera and a minimum of 5 employees enroll on each plan. WBBA Plan A cannot be offered in a dual carrier situation however all other plan combinations are allowed.
- 11) Rates quoted assume that none of the deductible, coinsurance or co-payments will be self-insured by the company, except those specifically identified as such.
- 12) New business paperwork is due no later than the 20th of the month prior to the effective date.
- 13) Requests for proposals received after the 10th of the month prior to the requested effective date may be declined.

- 14) A copy of either a Letter of Authorization (Search Letter) or Broker of Record Letter may be requested from each accredited producer in a multiple quoting scenario.
- 15) WBBA reserves the right to adjust rates for a new member group if any information is different from the original quote. WBBA reserves the right to decline coverage if the group does not meet all the established underwriting guidelines.

WBBA Non-Compete Provisions

- 1) Premera BlueCross parity rating rules apply to WBBA. Any company currently enrolled with Premera, either on a direct basis or through an Association Health Plan (AHP), are not eligible for coverage through the WBBA Benefit Program. Groups that have been members of the WBBA for six (6) months or longer will be allowed to receive parity rating through the Program on their benefit anniversary date only.
- 2) The Group Health Options non-competes rules apply to WBBA. They are:
 - A. Groups currently covered under a medical plan underwritten directly by Group Health are eligible for Association coverage, provided the Group has been a member of the Association for at least six months, and meets all other requirements for coverage. Quotes must be developed and approved by the Group Health Underwriting department. Rates will not be lower than the current and renewal direct quote. At first renewal, rates will be based upon the overarching WBBA renewal. No quotes will be allowed for groups off anniversary.
 - B. Groups of any size that are currently covered by a Group Health Association may be eligible for coverage through another Association plan underwritten by Group Health, as long as the Member Firm has been a member of the other Association for at least six months, and meets all other requirements for coverage of the other association and Group Health. Quotes must be developed and approved by the Group Health Underwriting department. No quotes will be allowed for groups off anniversary.
 - C. Groups of any size that are currently covered by a Group Health Association have the right to request a quote for a direct contract. For small groups (under 50 employees) they will be offered the in-force plan and rate options filed with the State of Washington for small group plans offered at that time. For large groups, the group will be rated separately, but not give a rate that is lower than that being offered through the Association for a period of 12 months. If direct rating would produce a rate higher than the rate they were being offered through the Association, that rate will become the default rate for contracting directly with Group Health and Group Health Options, Inc.

Health Savings Account (HSA) Underwriting Assumptions

- 1) All underwriting assumptions previously released remain applicable, unless specifically superseded by the underwriting assumptions within this document.

- 2) The HSA plan cannot be offered alongside a medical plan underwritten by another carrier.
- 3) The employer may fund up to 80% of the deductible.
- 4) The rates do not include any transaction and/or administrative fees charged directly by the HSA administrator.
- 5) Rollover funds combined with HSA contributions cannot exceed federal limits.

Producer Eligibility

- 1) All producers must be fully accredited through Wells Fargo Insurance Services to promote WBBA products and services. Among other requirements, producers must maintain all endorsed insurance carriers appointments. Please reference the WBBA Accreditation Agreement for a list of requirements and further details.
- 2) All accredited producers are required to obtain and maintain dues membership with the WBBA endorsed sponsors. Accredited producers are eligible to request and receive quotes without becoming a dues paying member of WBBA, however, membership must be secured at the time of the insurance placement with WBBA. No commissions can be paid until the accredited producer becomes an active, dues-paying member. It is the responsibility of the accredited producer to ensure their membership status is active.
- 3) Broker of Record Letters and Letters of Authorizations (Search Letters) will not be accepted.

This is a general overview of the Underwriting Guidelines for the WBBA. Should there be any discrepancy, the contract between the WBBA and the insurance carriers will be the determining underwriting document.