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Changes in Employee Insurance Records

The following describes changes that will require completion of the Change Request Form or other applicable forms described throughout this section.

Changes in insured employee's personal and employment status may affect his/her coverage. To help us maintain current records, please ask employees whose status has changed to complete a Change Request Form and return to you as soon as possible.

The Change Request Forms or the applicable forms should then be forwarded to Group Premium and Enrollment Services at the address shown in the General Information section.

Your Group Office representative will provide you with the forms applicable to your Group Policy/Plan or visit our Website.

Note: A person who is unauthorized to work in the United States pursuant to the Immigration and Nationality Act and related rules and regulations is not eligible for insurance under the Group Policy/Plan.

Note: DO NOT deduct premium for any amount or additional coverage that requires a health application or exam. Group Underwriting - Individual Selection will provide you with the notification of approval or denial, and if approved, the date to begin payroll deductions.

Name Change of Employee

In the event an employee legally changes his/her name for any reason whatsoever, the employee should submit a completed Change Request Form to you indicating the reason for the change. The change in name should be recorded on the employee's enrollment form.

The employee should be provided a new wallet (ID) form and validation sticker, if applicable.

Address Change of Employee

In the event an employee changes residence or relocates for any reason whatsoever, the employee should submit a completed Change Request Form to you indicating their new address. The change in address should be recorded on the employee's enrollment form.

Change of Coverage (benefit increase/decrease)

If your group insurance plan includes more than one employee benefit level based on salary, job title, etc., a promotion or increase in salary might qualify the employee for an increased amount of coverage. A Change Request Form should be completed and submitted to the Home Office requesting these changes to increase or decrease coverage. Please refer to your Group Policy/Plan provisions to determine if applicable to your plan.

If request is to increase coverage, this may require evidence of good health to be submitted for life, disability, and loss of time coverage(s), in addition to the Change Request Form. Please refer to the Group Policy/Plan for specific details.

The effective date of change that results in an increase or decrease of benefits will be the date of the benefit change, first day of the policy month (coinciding with or following) the benefit change, during an annual subsequent enrollment period, or as otherwise specified in the Group Policy/Plan. Please refer to your Group Policy/Plan for specific details. A subsequent monthly billing statement should reflect this change and new premium, if applicable.

If benefits are calculated from the employee's salary base, please indicate the new salary amount and date new salary became effective on billing statement or if your plan results in numerous salary changes complete an Employee Salary Change Form. Salary changes must be reported monthly or annually for Life, Accidental Death and Dismemberment (AD&D), Long Term Disability based on your plan's definition of Basic Monthly Earnings or Short Term Disability based on your plan's definition of Weekly Earnings. Refer to the salary adjustments for STD coverage and salary adjustments for LTD coverage sections that follow.

Employee Increase for Voluntary Term Life Coverage Due To A Life Event

Employees currently enrolled in Voluntary Term Life may apply for additional coverage up to the Guarantee Issue amount within 31 days of a qualifying life event.

A qualifying life event is:

- Marriage
- Birth or adoption of child(ren)
- Death or Divorce of spouse
- Termination of spouse's employment

Evidence of good health is not required if:

- the requested increase does not cause the total coverage to exceed the Guarantee Issue amount;
- the request is due to a qualifying life event; and
- the employee's request is submitted timely within 31 days from the date of the life event.

To apply for this additional coverage, the employee must provide written request by completing a change request form signed and dated within 31 days from the date of the life event. If timely, the additional coverage will become effective in accordance to your Group Policy/Plan provisions.

If the timely request for additional coverage is over the Guarantee Issue amount, the employee must complete a health application and a Change Request Form.

If written request for additional coverage is after the 31-day period, evidence of insurability must be provided. (Refer to the "Enrolling Employees" Late Enrollee section of this manual for more details.)

Employee, Spouse or Child(ren) Increase for Voluntary Term Life Coverage Not Due To A Life Event

When employees request to increase coverage for themselves, their spouses and/or their children, they should submit a completed Change Request Form and a health application to you. The form and application should be forwarded to Group Premium and Enrollment Services at the address shown in the General Information section.

Salary Adjustments for Short Term Disability (STD) Coverage

Your employee's salary changes should be reported based on your plan's Weekly Earnings definition to ensure correct premium payments. Please refer to your Group Policy/Plan for the Weekly Earnings definition specific to your Plan. The chart below illustrates the various definitions of Weekly Earnings, the associated *salary adjustment reporting frequency* and *salary reporting examples*.

Definition of Basic Monthly Earnings	Salary Adjustment Reporting Frequency	Salary Reporting Examples	
		01/01/02 - 12/31/02	01/01/03 - 12/31/03
Calendar Year Average Earnings Prior to Disability*	Annually	Calendar Year 2002 Average Salary	Calendar Year 2003 Average Salary
Prior 12, 24, or 36 Months Average Earnings Prior to Disability	Monthly	Current Month's Salary	Current Month's Salary
Month Prior to Disability	Monthly	Current Month's Salary	Current Month's Salary
1/52 of Annual Contract	Annually	1/52 of Inforce Contract	1/52 of Inforce Contract
Prior Year W-2	Annually	Calendar Year 2002 Average Salary	Calendar Year 2003 Average Salary
Prior Year K-1, W-2 or S Corporation Federal Tax Return	Annually	Calendar Year 2002 Average Salary	Calendar Year 2003 Average Salary

Salary adjustments should be reported monthly or annually based on your Plan's definition of Weekly Earnings. Please complete a Change Request Form or for multiple changes complete Employee Salary Changes Form.

*If the definition includes commissions, bonuses, overtime pay and/or contributions to deferred compensation plans, you must report them. Please refer to your Group Policy/Plan for the specifics to your Plan.

Note: Please refer to the Master Policy to determine if your employee's rate calculation is age-banded rated.

Salary Adjustments for Long Term Disability (LTD) Coverage

Your employee's salary changes should be reported based on your plan's Basic Monthly Earnings definition to ensure correct premium payments. Please refer to your Group Policy/Plan for the Basic Monthly Earning definition specific to your Plan. The chart below illustrates the various definitions of Basic Monthly Earnings, the associated *salary adjustment reporting frequency* and *salary reporting examples*.

Definition of Basic Monthly Earnings	Salary Adjustment Reporting Frequency	Salary Reporting Examples	
		01/01/02 - 12/31/02	01/01/03 - 12/31/03
Calendar Year Average Earnings Prior to Disability*	Annually	Calendar Year 2002 Average Salary	Calendar Year 2003 Average Salary
Prior 12 Months Average Earnings Prior to Disability	Monthly	Current Month's Salary	Current Month's Salary
Month Prior to Disability	Monthly	Current Month's Salary	Current Month's Salary
1/12 of Annual Contract	Annually	1/12 of Inforce Contract	1/12of Inforce Contract
Prior Year W-2	Annually	Calendar Year 2002 Average Salary	Calendar Year 2003 Average Salary
Prior Year K-1, W-2 or S Corporation Federal Tax Return	Annually	Calendar Year 2002 Average Salary	Calendar Year 2003 Average Salary

Salary adjustments should be reported monthly or annually based on your Plan's definition of Basic Monthly Earnings. Please complete a Change Request Form or for multiple changes complete Employee Salary Changes Form.

*If Calendar Year Average Earnings Prior to Disability includes commissions, bonuses, overtime pay and/or contributions to deferred compensation plans, you must report them. Please refer to your Group Policy/Plan for the specifics to your Plan.

Note: Please refer to the Master Policy to determine if your employee's rate calculation is age-banded rated.

Reinstatement

Rehired Employees Only

Reinstatements are not available to a person whose employment is terminated on a permanent basis (voluntary or not). If such an employee is subsequently rehired, he/she must re-enroll by completing an enrollment form. He/She will be considered a newly hired employee and must reserve the waiting period as specified in the Group Policy/Plan. Refer to the “Enrolling Employees” section of this manual.

Reinstatement does not apply for COBRA beneficiaries.

Reinstatement of Employee Insurance (Applies to Medical, Dental or Vision coverage)

If the insurance of an employee is terminated by reason of temporary layoff, leave of absence or disability and the employee should subsequently return to work, the employee is eligible for reinstatement of his/her former insurance immediately upon return to full-time active employment when the layoff, leave of absence or disability ends. The employee must complete the Change Request Form and include any other changes in status.

Reinstatement of Employee Insurance (Applies to Basic Life/AD&D, STD or LTD coverage)

If the insurance of an employee is terminated by reason of temporary layoff or leave of absence and the employee should subsequently return to work, the employee must satisfy the waiting period upon return to full-time active employment when the layoff or leave of absence ends, unless returning from a military leave immediately after discharge from active duty or upon return to full-time active employment when the disability ends. The employee must complete the Change Request Form and include any other changes in status.

Reinstatement After Voluntary Termination

If an employee has voluntarily terminated his/her insurance coverage (or coverage for his/her dependents), but not his/her employment, he/she may be considered a late applicant, upon application for his/her reinstatement. Please refer to the Late provision as specified in your Group Policy/Plan for additional details. Also refer to the “Enrolling Employees” Late Enrollee section of this manual.

Reinstatement of Voluntary Term Life Insurance

The following describes changes that will require completion of the Change Request Form. Additional supporting documents, if required, are also listed.

1. Reinstatements are not available to employees whose employment was voluntarily terminated on a permanent basis unless:
 - Your organization selected the Continuation of Coverage (Portability) option and
 - That employee or former employee chose to continue coverage under the continuation privilege as stated in the policy.

If the former employee is covered under the continuation provision, reinstatement will be effective on the first day of the month coinciding with or following the employee’s return to work. If the former employee does not continue coverage and is subsequently rehired, the employee must be considered a new employee and subject to the employee eligibility provisions of your Group Policy.

2. Reinstatements are not available to employees whose employment was involuntarily terminated; i.e., layoff, medical, maternity, or personal leave, unless:
- Your organization selected the Continuation of Coverage (Portability) option; and
 - That employee or former employee chose to continue coverage under the continuation privilege as stated in the policy.

Note: Portability must terminate upon reinstatement of coverage.

If the former employee is covered under the continuation provision, reinstatement will be effective in accordance to your Group Policy/Plan provisions based on the employee's return to work. If the former employee does not continue coverage and has returned to work, the employee must provide evidence of good health acceptable to us by completing a health application. Upon our receipt, medical records, exams and/or blood profiles may be subsequently requested by Group Underwriting – Individual Selection.

If employees voluntarily terminate insurance coverage for themselves or their dependents, but not their employment, the employee must submit evidence of good health acceptable to us by completing a health application to reinstate coverage. Upon our receipt, medical records, exams and/or blood profiles may be subsequently requested by Group Underwriting – Individual Selection.

If insurance is terminated due to non-payment of premium, employees are eligible for reinstatement of their former coverage by providing evidence of good health and premium payment by completing a health application. Upon our receipt, medical records, exams and/or blood profiles may be subsequently requested by Group Underwriting – Individual Selection.

Note: Employees who previously terminated their employment due to a military leave (covered or not covered under the continuation provision) are eligible for reinstatement of their former coverage upon return to work immediately after discharge from active duty provided the employee has met the eligibility requirements of the policy.

Note: DO NOT deduct premium for any amount or additional coverage that requires a health application or exam. Group Underwriting - Individual Selection will provide you with the notification of approval or denial, and if approved, the date to begin payroll deductions.

Note: If your Plan has pre-existing condition exclusion, reinstated and rehired employees are subject to this exclusion.

Note: Acceptance of premium does not deem an employee eligible at time of claim. Refer to the Group Policy/Plan for eligibility provisions that are specific to your Plan(s).

Note: A person who is unauthorized to work in the United States pursuant to the Immigration and Nationality Act and related rules and regulations is not eligible for insurance under the Group Policy/Plan.

Addition and Removal of Dependents

Addition of Dependents

Employees requesting coverage for any newly acquired dependent(s), the employee must provide a properly completed signed and dated Change Request Form within 31 days from the date the eligible dependent was acquired.

A Dependent's Eligibility is based on the Group Policy/Plan provisions. If the dependent does not meet the Group Policy/Plan "Dependent Eligibility" requirements, the dependent will not be considered for coverage. However, to determine if a child is eligible, we may require additional information to be submitted (e.g., verification of full-time student status, court order, adoption papers, custody/guardianship papers). Please refer to the "Enrolling Employees" section of this manual for more details. The date dependent insurance coverage begins, including any additional required premiums, if any, is based upon the eligibility provisions located in the Group Policy/Plan.

If the Change Request Form is not completed, signed and dated within 31 days from the date the dependent became eligible under the Plan, the dependent will be considered a late enrollee. A late enrollee will be subject to the plan's late provisions, unless otherwise specified in the Group Policy/Plan.

Note: DO NOT deduct premium for any amount or additional coverage that requires a health application or exam. Group Underwriting - Individual Selection will provide you with the notification of approval or denial, and if approved, the date to begin payroll deductions.

Note: An employee's newborn child, while insured under the policy, is automatically insured from the moment of birth until the child is 31 days old (unless otherwise stated in your Group Policy/Plan). Health Insurance for the newborn child will continue beyond 31 days only if the employee's properly completed and signed Change Request form is received within 31 days of birth and any additional required premium is paid. Refer to your Group Policy/Plan for provisions specific to your Plan.

Removal of Dependents

A dependent's insurance ends upon termination of the employee's insurance.

Dependent coverage will also end if the dependent no longer meets the eligibility requirements under the plan(s). (Please refer to your Group Policy/Plan Dependent Eligibility provisions specific to your Plan.) The employee should submit to you a completed Change Request Form that indicates the reason and date the dependent(s) became ineligible under the Plan(s). The Employer must notify the Home Office in writing of any insured person's ineligible dependent status immediately. If any premium refund is due, the premium refund will not exceed the number of days specified in your Master Policy/Contract. Dependent coverage ends in accordance to provisions that are specific to your Group Policy/Plan

Primary Care Physician (PCP) Changes (applicable to HMO and POS Plans only)

If a employee (subscriber) finds that the PCP he/she has selected is not compatible to his/her or their dependent(s) needs, they may change the PCP by submitting a Change Request Form to Exclusive Healthcare, Inc. (HMO) or Point-of-Services (POS) Plan or by contacting Customer Service. A change of PCP becomes effective the first of the month following notification of the HMO or POS Plan. The employee and/or dependent(s) should continue to contact the current PCP until they have received the new ID card and a letter of notification that the change of PCP is effective. Your office will receive a copy of this notification letter.

Ditto marks are not acceptable when selecting the same PCP for additional family members. The PCP's name and ID number must be completed in full for each employee and/or dependent(s), as applicable, on the Change Request Form.

Change of Beneficiary Designation Form Instructions

When an employee wishes to change his/her beneficiary:

1. The employee should complete, date and sign the Designation of Beneficiary and submit it to you. The employee's signature must be witnessed.
2. The form (original and copy) is dated and acknowledged by the Plan Administrator.
3. The Plan Administrator will:
 - a) attach the original form to the employee's enrollment form (retain for your records); and
 - b) forward the copy of the designation beneficiary form to the employee.
 - The full name (initials are not acceptable) and relationship of the beneficiary should be shown.
 - To avoid complications, we do not recommend the employee name an organization or endowment as beneficiary unless it is certain that organization is a legal entity.
 - Your organization cannot be named beneficiary.
 - A spouse may not designate a beneficiary.
 - In case of a spouse's or covered child's death, benefits will go to the employee.

How to Complete the Designation of Beneficiary Form

In order for your beneficiary changes to be processed in an efficient manner, it is important that the following information be completed on the Designation of Beneficiary.

1. **Name of Employer:** Employer's Parent Company or Plan Name.
2. **Group Contract No(s):** List the applicable Group I.D. for Life and/or AD&D coverages.
3. **Name of Insured Member:** The insured employee's full name (First, MI, Last)
4. **Insured Member's Social Security Number:** The Employee's Social Security number or ID number.
5. **Primary Beneficiary Designation:** Employee must give the complete name (first name, middle initial, last name); relation to the member; date of birth, address and percentage for each primary beneficiary.
6. **Contingent Secondary Beneficiary Designation:** Employee must give the complete name (first name, middle initial, last name); relation to the member; date of birth, address and percentage for each contingent beneficiary.

Note: If more than one Primary and/or Contingent beneficiary, the employee is to provide the Percentage (%) for each beneficiary and must total 100%. If a percentage is not provided, then the beneficiaries provided shall share equally.

7. **Witness** - A witness' signature is required (Employee's family cannot be a witness).
8. **Signature of Insured Member** - Insured employee's signature.
9. **Date of Insured Member's Signature** - The date the form was completed and signed by the insured employee.
10. **Acknowledgment Section** - To be signed and dated by the Plan Administrator only.

Termination of Employees

Termination of Employee's Insurance

When an employee terminates employment, no longer meets the eligibility requirements or exceeds the extensions of coverage permitted by the Group Policy/Plan, please report the employee withdrawn and show the exact date employment ceased or the date ineligible on the Employee Termination Report. (Refer to the instruction below.) The employer must notify the Home Office in writing of any insured person's ineligible status immediately. If any premium refund is due, the premium refund will not exceed the number of days as specified in your Master Policy/Contract. Coverage ends in accordance to the Group Policy/Plan provisions that are specific to your Plan.

Employee Termination Report Form Instructions

In order for your termination to be processed in an efficient manner, it is important that you complete the following on the Employee Termination Report.

1. Date
2. Employer Company Name
3. Address
4. Subgroup Name and Location Code
5. Group I.D. and Subgroup ID Numbers
6. Soc. Sec. No.: Employee's Social Security Number (or Subscriber ID number)
7. Employee's Name: First and last name.
8. Date Last Worked -- The last day the employee was actively at work. If coverage ends other than "DAY LAST WORKED", please give the date coverage should end and an explanation in the "REASON" column. (See examples below).
9. Reason
10. The preparer should sign the bottom of this report.

Soc. Sec. No.	Employee's Name	Day Last Worked *	Reason
111-11-1111	John Doe	3-13-04	Terminated
333-33-3333	Mary Doe	3-31-04	Layoff

Employee's coverage will be terminated according to the language specified in your Group Policy/Plan (i.e., on the day, first day or last day).

***Note: If employee's Day Last Worked was 3-31-04 but payroll deductions were made in advance, any overpayment should be refunded to the employee or applied to COBRA coverage if elected by the qualified beneficiary.**

COBRA Addition and Terminations

When Group Premium and Enrollment Services receives a completed COBRA Continuation Election form and verification of the first premium payment, the COBRA beneficiary will be added to your regular monthly premium billing in the same manner any other changes are made. For your convenience, these COBRA beneficiaries will be identified on your monthly premium billing with special class codes. Contact your Group Office or Group Premium and Enrollment Services for complete details of these special class codes and applicable premium rates. (Refer to the “COBRA Guidelines” section of this manual.)

If a COBRA beneficiary wishes to stop coverage before the end of the 18- or 36-month term, simply include this information on the Employee Termination Report.

GRACE PERIOD - COBRA beneficiaries are subject to the Grace Period provisions in your Group Policy/Plan.

Billing Calculations for Policy Anniversary Rate Change/Increase

Policy Anniversary Rate Change/Increase

Your organization's rates are set by five-year age brackets; i.e., age 29 and under, 30-34, 35-39, etc. Rate increases for employees and/or spouses are effective on your organization's policy anniversary date and each policy anniversary thereafter. Rates do not change on the employee and/or spouse birthday.

A rate increase will occur if the attained age will move the employee and/or spouse into the next higher age range.

The increased premium amount will be indicated on the billing statement coinciding with your organization's policy anniversary date. An asterisk will be shown on the statement left of the employee's last name for all employees and/or spouses receiving an increase.

Group Premium and Enrollment Services will send you a sample billing approximately 25 days prior to your organization's policy anniversary date. This sample will list which employees and/or spouses will have a policy anniversary rate increase and will assist you in updating your payroll records. This sample billing is not intended for premium remittance purposes. If you do not receive your advance sample billing, contact Group Premium and Enrollment Services as soon as possible at the phone number listed in the General Information section.

Age Calculations

Rates are based on the age of the employee (and, if applicable, the spouse) on your **organization's policy anniversary date**, not the employee's and/or spouse's date of birth. This date normally is the same month and day as your organization's policy effective date.

When employees or spouses are added, their age will be calculated as of your organization's **last** policy anniversary date. On a new policy, the employee and spouse age should be calculated as of the effective date of your policy.

Example 1:

1. Your organization's last policy anniversary date is February 1, 2004.
2. Employee's date of birth is March 15, 1964.
3. Employee was age 39 on February 1, 2004 (last policy anniversary date) and turned age 40 on March 15, 2004. The premium rate charged will be age range 35-39 until your organization's next policy anniversary date of February 1, 2005.

Example 2:

1. Your organization's policy is effective July 1, 2004.
2. Employee's date of birth is July 15, 1969.
3. Employee was age 34 on July 1, 2004 (effective date of your policy) and turned age 35 on July 15, 2004. The premium rate charged will be age range 30-34 until your organization's next policy anniversary date of July 1, 2005.

Note: If your plan is Self-Administered, you will be responsible for your employee's and/or spouse's premium age rate calculation on your organization's policy anniversary date.