

Underwriting Requirements

Category	Explanation/Requirements												
1. Eligible Small Employer	UnitedHealthcare offers small group coverage to a small business that employs 2-50 full-time employees on at least 50% of its working days. During the preceding calendar quarter, employer must employ no more than 50 full-time employees. The following information is required to qualify as a small business and will be used to verify group eligibility.												
1A. Documentation Requirements: Most Recent Pennsylvania Wage and Tax (W/T) or	<table><tr><th>Type of Business</th><th>Explanation / Requirements</th></tr><tr><td>“C” Corporation</td><td>Business Papers = Articles of Incorporation AND Company Payroll listing</td></tr><tr><td>“S” Corporation</td><td>Business Papers = Articles of Incorporation AND Payroll</td></tr><tr><td>Partnership:¹</td><td>Business Papers = Partnership Agreement AND Payroll</td></tr><tr><td>Sole Proprietor or Church Non-Profit</td><td>Form 941 (line 2 is wages) AND Payroll</td></tr><tr><td>Limited Liability</td><td>LLC/LLP Agreement² AND Payroll</td></tr></table>	Type of Business	Explanation / Requirements	“C” Corporation	Business Papers = Articles of Incorporation AND Company Payroll listing	“S” Corporation	Business Papers = Articles of Incorporation AND Payroll	Partnership: ¹	Business Papers = Partnership Agreement AND Payroll	Sole Proprietor or Church Non-Profit	Form 941 (line 2 is wages) AND Payroll	Limited Liability	LLC/LLP Agreement ² AND Payroll
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1B. Notes	1. The wages on the payroll must equal at least minimum wage based on full time employment status. 2. New businesses may file the first Quarterly Wage and Tax Statements at the end of the first quarter of business. Therefore, proper documentation can be available after the first quarter. 3. Underwriting may request additional information if needed.												
2. Employer Contribution Requirements	The employer must contribute the following for medical coverage: • For groups of 2-50 active eligible employees: 50% of individual employee premium for all employees.												
3. Employee Participation Requirements	• Excluding valid waivers, a minimum of 75% of active eligible employees in a group must be covered under a UnitedHealthcare plan. A minimum of 50% of the total active eligible employees must be covered. This does not include continuerees for COBRA or state continuation. • Valid waivers include spousal coverage. • Individual policies and government-sponsored plans are not valid waivers.												
4. Medical Underwriting	All small businesses are required to answer the simplified medical questionnaire on the Master Group Application. In addition: • 2-19 enrolled employees: Each employee must complete an individual medical questionnaire, located on the enrollment form, for the employee and any dependents to be covered on the plan. • 20-50 enrolled employees: If the employer has current health insurance coverage for its employees and at least 20 employees taking medical coverage, the employees do not need to complete the individual medical questions located on the enrollment form. If there is no current group health insurance coverage, or less than 20 active employees listed with medical coverage on the prior carrier billing statement, an individual medical questionnaire is required from each individual, regardless of the number of employees in the group.												

¹ Only the partners of a Partnership can take a draw from the Company and still be considered an eligible employee.

² An "LLC" is a Limited Liability Company and an "LLP" is a Limited Liability Partnership

Small Business Predications

Category	Explanation/Requirements
1. Group Effective Dates	Small groups may select effective dates of the 1st or the 15th of the month. Another date may be approved only if the group currently has medical coverage expiring on a date other than the first or fifteenth.
2. Benefit Plan Changes	Groups may change benefit plans only upon their renewal date. If an increase or addition of benefits is requested, contact your Small Business Account Manager to have this proposed plan change reviewed by our underwriting department to establish the appropriate rates. Regardless of products, benefit plan changes are not available off-renewal.
3. Eligible Employee	UnitedHealthcare will cover an employee who works on a full-time basis, with a normal week consisting of 25 or more hours, for a small employer. An "employee" includes a partner or an owner, provided he or she works the majority of time for this business. The employee must either live or work in a UnitedHealthcare network service area to be eligible for the Choice, Choice Plus or PPO plans.
4. Eligible Dependents	Dependent Definition: Based upon the employer's initial enrollment, United Healthcare covers an employee's dependent that meets the following conditions: a. A spouse of a covered subscriber; b. A person of the opposite or same sex with whom the Subscriber has established a Domestic Partnership. c. An unmarried child, stepchild, foster child or a child placed for adoption through age 18, or between the ages of 19 and 25, if a full-time student; and/or d. A handicapped child. For the Choice, Choice Plus or Options PPO-NA plans, an eligible dependent must live in the UnitedHealthcare network service area. Two exceptions are if the dependent is a full-time student or if the parent is required by a court order to provide health benefit plan coverage.
5. Waiting Period For New Hires	There is a waiting period for a newly hired employee to be covered by the plan. An employee hired after the group's effective date of coverage is subject to the waiting period selected by the employer. Choice/Choice Plus Plans Small groups have the choice of a 30, 60, 90 day or 0, 1 or 2 month waiting period. Changes to the waiting period are only allowed at the renewal.
6. Effective Dates of New Employee's Coverage	Coverage for a new group's employees who have satisfied the waiting period begins at 12:01 a.m. on the effective date specified in the master policy. An employer may choose to waive the waiting period for all employees only upon the initial effective date of the group policy. Coverage for a new hire after the group's initial effective date of coverage begins on either (a) the day following completion of the waiting period, or (b) the first of the month following the completion of the waiting period. The employer selects the waiting period and effective date process upon the issuance of their new group policy.

Small Business Predications *continued*

Category	Explanation/Requirements
7. Late Enrollee and Pre-existing Condition Exclusion	A "late enrollee" is an employee who elects to waive UnitedHealthcare employee or dependent coverage when a group first enrolls with UnitedHealthcare and who wants to enroll in the plan at a later date without a qualifying event. A late enrollee who decides to enroll after the group's initial effective date of coverage will have an 18-month pre-existing condition exclusion applied to their employee or dependent coverage.
8. Termination of Employee Coverage	Employee coverage ends on either (a) the last day of the month or (b) the actual date on which the employee terminates as long as the group is active at the end of the month. The employer selects the termination effective date provision upon the issuance of their new group policy.
9. Deductible/Out-of-Pocket Credit	An employee or dependent covered under a new group's policy from the original effective date of coverage with UnitedHealthcare will receive credit for any portion of their deductible/out-of-pocket satisfied with the prior carrier during the current calendar year. The employee or dependent will need to submit acceptable proof from the prior carrier such as a recent EOB for that year showing the amount of deductible and out-of-pocket met for that calendar year.
10. Dual Option Underwriting	• Employer minimum contribution: 50% of low option individual employee premium • 100% of census rated in both plans • Underwritten as one group • Same Risk Factor applies to both plans • 2 contracts, 2 sets of rates, 2 policy numbers • 1 customer number • 1 bill • 1 Customer Service number • Employees enrolled into selected plan until next renewal date

This summary of benefits and eligibility requirements is intended only to highlight plan benefits and eligibility requirements and should not be relied upon to fully determine coverage or eligibility. The plans may not cover all health care expenses. Please refer to the Policy for a complete listing of services, limitations, exclusions and a description of all the terms and conditions of coverage. If this description conflicts in any way with the Policy, the Policy prevails.

This information is confidential and not intended for external distribution.