

**Underwriting Assumptions  
Regence Employer Groups of 2-50 Employees**

**General**

1. Rates are based on the information provided for this offer. We reserve the right to withdraw the quote or revise the rating if any of the group information changes, including but not limited to any census, risk or other demographic changes.
2. Rates are assumed for 12 months from the effective date quoted except as allowed in the group contract.
3. Completed, signed and dated enrollment materials must be received 15 days prior to effective date.
4. All rates assume that none of the deductible, coinsurance or copays will be paid by the employer (except on an HSA plan). Additionally, no member is allowed to opt off coverage in lieu of compensation.
5. Employer must carry Workers' Compensation on all medical enrollees; however, 24-hour coverage is available and required for business owners who are not covered by Workers' Compensation.
6. Documentation of employment may be required. Acceptable proof would be a copy of the employer's most recently filed Quarterly Wage Detail Report showing employee counts and/or payroll records.
7. Rates assume Regence is the sole medical and/or dental carrier.
8. Additional eligibility requirements may apply if the group is not headquartered within the Plan's service area. Please contact your Regence representative for more information. Employees who reside in the state of Hawaii are not eligible for coverage.
9. If you have an insurance producer, they may receive bonuses, commissions, administrative service fees, or other compensation, including non-cash compensation, from Regence. Incentives may be based on several factors, including the size of the group's business, the products you buy, your insurance producer's volume of business with Regence and the other services your insurance producer provides to you. These incentives may have an indirect impact on your rates. For more information, please contact your insurance producer.
10. The Washington Office of Insurance Commissioner (OIC) requires that final renewal rates be based on the group's actual census as of their renewal effective date. Final renewal rates will therefore not be confirmed until about 10 weeks after the renewal date, to allow for retroactive eligibility changes and monthly data refreshes. The final rates will likely differ from the tentative rates if there are changes to the census (adds or deletes) or to member ZIP codes.

**Eligibility**

1. Companies that can show they are commonly owned, affiliated, and/or eligible to file a consolidated tax return may be rated together.
2. All employees (appearing on the group's regular payroll system) working the contractual minimum hours per week are considered eligible and subject to participation guidelines. Temporary, seasonal, substitute employees and/or persons whose earnings are based solely on income reported on IRS Form 1099, are not considered as eligible employees.
3. **Employers who averaged 50 or fewer employees, as defined by ERISA, in the prior calendar year are not subject to the Mental Health Parity Act and may be covered within our small group pool.** However, if an employer meets the federal ERISA definition of an employer with 51 or more employees, and is currently covered by a small group contract, we must change the group's pool classification at renewal and issue a group contract that complies with the provisions of this Act. This may also result in a change to the rates contained within this proposal.
4. Retirees are not eligible for coverage.

**Important Note:** No changes to headers or footers (from current) unless otherwise noted.

5. Consistent with Regence's administration of domestic partner eligibility for small groups, all eligible domestic partners, including same-sex, opposite sex, state-registered or not, will be considered eligible dependents. Domestic partner eligibility will include eligibility for COBRA continuation coverage.

### **Contribution & Participation**

1. The minimum employer contribution towards the cost of coverage for employees is 75% of the employee rate. This applies to both medical and dental benefits.
2. The minimum employee participation is 100% of eligible employees for Groups 2 - 3 after excluding those waiving due to other qualifying coverage. The minimum employee participation is 75% of eligible employees for Groups 4- 50 after excluding those waiving due to other qualifying coverage.
3. A waiver of coverage form must be collected for all employees waiving group coverage.

### **Enrollment**

1. Minimum medical enrollment is 2 employees (1 enrolled) subject to participation requirements.
2. If a vision rider is selected, medical and vision enrollment must match.
3. Uncommon medical/dental enrollment and freestanding dental versus packaged medical/dental coverage may have an impact on group rates. Groups electing uncommon enrollment are still subject to group participation requirements.
4. Minimum dental enrollment is 2 enrolled employees, when sold with medical coverage. Minimum participation rules apply.
5. Minimum enrollment for the orthodontic rider is 26 enrolled employees. Minimum participation rules apply.
6. Groups enrolling on a medical product must elect a pharmacy benefit.

### **Dual Option - Participation**

1. Minimum enrollment for groups requesting dual option is 10 enrolled employees on dual option product offerings that include an HSA option. When an HSA option is not included, 25 enrolled employees are required for dual option product offerings.
2. Minimum of 2 enrolled on each option of an HSA or Innova or Engage dual option product offering. Minimum of 5 enrolled on each Activate or non-Innova or Engage dual option product offering.

*Please refer to the Dual Option Matrices for allowed plan combinations.*