

# Underwriting Guidelines and Quote Request for the Premium Saver February 2008

## **Overview**

The Premium Saver is designed to help reduce the employer's medical premium. Combining the Premium Saver with high deductible major medical plans can frequently reduce the employer's cost for group medical coverage.

## **Guaranteed Issue**

All participants of the Major Medical Plan of the Employer will be accepted.

## **No waiting periods for Pre-existing Conditions**

Participants of the Premium Saver Plan will not have a waiting period for benefits because of medical conditions that existed before the policy effective date.

## **No medical Exclusions**

There are no specific medical conditions that are excluded from coverage (example - drug and alcohol abuse, mental and nervous disorders)

## **Participation Requirement**

Every participant (including dependents) covered by the group's Major Medical Plan must participate (enroll) with the Premium Saver Plan. There are no age restrictions.

## **Eligibility**

All employees and their dependents that are covered under the group's major medical plan are eligible for this coverage.

**Product Availability** – Contact MWG Marketing for list of approved states. Groups based in approved states can offer this plan to all of their employees regardless of where the employee lives.

## **Effective Dates**

Effective dates must be the 1<sup>ST</sup> of the month.

## **Group Size**

The minimum group size is 10 (enrolled with the Premium Saver Plan)

## **Continuation**

COBRA is applicable provided the employee's group major medical is active under COBRA.

## **Plan Design**

Each group can choose a plan design and benefit amount to achieve the maximum overall premium savings for their group.

## **Premium Saver Benefit Amount**

Premium Saver Benefit Amount is the amount payable during a calendar year for each insured person. The employer can select annual benefit amounts of \$1,000 to \$9,500.

## **Premium Saver Deductible and Coinsurance**

As a minimum, the Premium Saver must be quoted with the deductible and coinsurance that the client currently provides on the group's major medical plan. All plans require an annual deductible of at least \$250. Deductible options are: \$250 to \$3,000 (higher deductibles available upon request). Coinsurance options are: 0%, 90/10%, 80/20%, 70/30%, 60/40%, 50/50% from \$0 to \$10,000 Out-of-Pocket. Remember that the idea of the Premium Saver is not to increase the group's benefits. The Premium Saver is designed to reduce the employer's medical premium. Once the insured's Premium Saver deductible and co-insurance are satisfied, the plan pays the benefits described in the policy until the payments reach the Maximum Benefit Amount.

## Most Frequently Selected Coverage

Our most frequently selected Premium Saver plan includes the [Base Plan, Allied Service Rider and Credit for Prior Plan Deductible Rider](#). This plan pays the amount applied to the major medical deductible and co-insurance up to the benefit amount selected by the employer. It covers the same expenses as the insured's major medical plan, with the exception of charges for professional fees of a physician in a doctor's office or medical clinic or for outpatient prescription drugs.

## Outpatient Benefit Amount

The full benefit amount selected by the employer can be used for outpatient or in-hospital eligible expenses. There is no restrictive outpatient limit.

## Base Plan Coverage

The Premium Saver Base Plan pays benefits for claims only if they are incurred in certain facilities: **Hospital, Outpatient Department of a Hospital, Ambulatory or Day Surgical Center, Emergency Room, or MRI facility.** (Optional Allied Service is available to enhance the outpatient benefit). There are some situations where a claim could be applied to the deductible or coinsurance of a major medical policy and not in one of the covered facilities. Here are four examples of where the treatment could be applied to the Major Medical deductible or coinsurance and not paid by the Premium Saver. 1. An insured goes to a doctor's office and requires a brace or crutches. 2. The insured orders supplies (such as diabetic syringes and needles) by mail order. 3. The doctor performs a surgery in his office instead of at an outpatient surgical center. (Some major medical plans will not apply this to the office visit co-pay; they apply the treatment to the deductible or coinsurance. 4. The insured receives chemotherapy treatment in a doctor's office.

## Optional Riders

Designed to improve the coverage

### Allied Services Rider

When the Allied Services Rider (ASR) is purchased it extends the benefits of the Outpatient Hospital Expense Benefit and will apply after deduction for the Insured Person's Co-payment (if any), or policy deductible and coinsurance amounts.

With the Allied Services Rider this plan pays the amount applied to the major medical deductible and co-insurance up to the maximum total benefit amount stated in the Policy Schedule. It covers the same expenses as the insured's major medical plan. Exception: **The Allied Services Rider does not cover professional fees in a doctor's office or medical clinic and outpatient prescription drugs.**

Adding the ASR increases the premiums of the Premium Saver by 5 to 15%, (varies by major medical carrier) **ASR rider premium is non commissionable. There is no agent commission paid on the ASR rider premium.**

### Credit For Prior Plan Deductible Rider

Your group can now elect to receive deductible credit towards their Premium Saver deductible. Because the Premium Saver Plan and most major medical plans have a calendar year deductible, it is possible that some employees have met part or all of their major medical deductible prior to the Premium Saver contract year. This rider prevents the possibility that an employee might have to pay their deductible or a portion of their deductible twice during the first year of the contract. Adding this rider increases the premiums of the Premium Saver by 1/2% per month up to a maximum of 5%. **This rider does not give credit for prior plan coinsurance amounts paid before the contract year of this plan.**

## Marketing and Sales Material

**How does a group get a quote and proposal? It's as simple as 1,2,3!**

1. Contact MWG and explain the group's savings and benefit goal.
2. Shop for the best alternate major medical plan. Look for a strong carrier with a good network and a low priced alternate plan. The best alternate plan is usually the lowest price major medical plan that has doctor and prescription co-pays.

3. Send MWG Marketing the following information: (In Mississippi we require the information on carrier forms. We prefer carrier forms in other states, but will accept the information on our quote form. The completed quote sheet is required for all quotes. (quote form is attached)
  - a. Alternate (high deductible) major medical plan design and rates (send the information on the carrier's forms)
  - b. Current major medical plan design with current and renewal rates. (send the renewal notice)
  - c. Describe the desired Premium Saver plan design. (Benefit amount, deductible, coinsurance amount and co-insurance %)

MWG Marketing will generate proposals designed to meet the group's goals. Each proposal will show the projected savings compared to the current and renewal rates.

We will work with you on a case-by-case basis to see if we can reduce your group's medical premium and to design a plan to fit the groups needs. We will help you design the best plan for your group, produce a flier explaining the benefits, and build savings illustration projecting the premium savings (if requested). We can email or fax the quote sheet, flier and savings illustration. We can normally build the flier and savings illustration and email it to you within 48 hours.

### **How does a group enroll?**

Enrollment

1. The employer signs the group application
2. The agent sends MWG Marketing the completed group application and the enrollment information with the first month's premium 14 days prior to the requested effective date.

### **Employee applications are not required**

MWG prefers electronic transfer of enrollment information if the employer can furnish the needed information on disc or by email. Contact MWG Marketing and ask about our simplified enrollment guidelines.

### **How do you file a claim?**

**The Premium Saver plan pays the benefits to the medical provider.**

**Let the provider file the claim. This is the easiest and best way to receive benefits.**

MWG will send insurance cardholders for each employee. All the insured has to do is to put their major medical and Premium Saver insurance cards in the cardholder and hand the cardholder to the provider. Most providers will file the claims because the benefits are paid to the provider. The provider will file your major medical as your primary insurance and the Premium Saver as your secondary insurance. Guidelines and claims assistance number are listed on the cardholder.

There is no claim form. All the provider has to do is to fax the EOB from the major medical carrier and the itemized bill (UB92 or HCFA 1500) from the medical provider to MorganWhite Administrators Inc. MWA fax # 601-956-1147.

On the last page of the group application please list the providers the group expects to use. MorganWhite Administrators Inc. will send a letter to each provider explaining how to file claims. Call 1-888-888-2519 for claims inquires.

**Questions?**  
**Call our MWG Marketing at 1-800-800-1397.**

## The Premium Saver Request for Quote

<i>Employer Name:</i>		<i>Telephone:</i>
<i>Employer Address:</i>		
<i>Employer City:</i>	<i>State:</i>	<i>Zip Code:</i>
<i>Nature of business</i>	<i>SIC Code:</i>	<i>Effective Date:</i>
<i>Agent Name:</i>	<i>Email:</i>	<i>Telephone:</i>

**Instructions**

1. Please fill out all Bold Blue highlighted sections
2. Email as attachment to your contact person at MWG Marketing
3. Shop carefully for the Best Alternate Major Medical Plan. Try to find a plan design that reduces the Major Medical renewal rate by 28% to 40%.
4. The Premium Saver goal is to save the group between 8% and 16% of the annual premium.

**Information**

1. MWG Marketing 1-800-800-1397
2. Standard Life and Accident Insurance Company Plans – Go to [www.mwggaproducts.com](http://www.mwggaproducts.com) for forms, agent contracts, brochures, simplified enrollment guideline etc.
3. AmFirst Insurance Company Plans – contact MWG Marketing
4. American Medical & Life Insurance Company – contact MWG Marketing
5. Recommended agent commission is 8% level – Agent can choose commission % - 0 to 15%
6. Lowering the commission increases the groups savings
7. Most groups include the Allied Service Rider and the Prior Plan Deductible Credit Rider
8. Proposal turnaround time is typically less than 24 hours.

<i><b>Current Plan</b></i>	<i><b>Alternate Plan</b></i>
<i>Major Medical Carrier.....</i>	<i>Major Medical Carrier.....</i>
<i>Deductible Amount.....</i>	<i>Deductible Amount.....</i>
<i>Co-Insurance %.....</i>	<i>Co-Insurance %.....</i>
<i>Co-Insurance Out of Pocket Amount \$..</i>	<i>Co-Insurance Out of Pocket Amount \$..</i>
<i>Doctor Co Pays.....</i>	<i>Doctor Co Pays.....</i>
<i>Drug Co Pays .....</i>	<i>Drug Co Pays .....</i>
<i>Drug Deductible Amount....</i>	<i>Drug Deductible Amount....</i>
<i>Renewal Date.....</i>	<i>Renewal Date.....</i>
<i>Notes.....</i>	<i>Notes.....</i>

<b>Coverage</b>	<i>Number of Employees Enrolling</i>	<i>Current Plan Premium</i>	<i>Renewal Premium</i>	<i>Alternate Plan Premium</i>	<i>Savings</i>
<i>Employee</i>					
<i>Employee and Spouse</i>					
<i>Employee and Children</i>					
<i>Family</i>					
<i>Totals</i>					

### ***Premium Saver Plan Design***

<i>Benefit Amount.....</i>	<i>Co-Insurance Amount (Excludes Deductible) \$.....</i>
<i>Allied Service Rider.....</i>	<i>Co-Insurance %.....</i>
<i>Deductible Amount per person.....</i>	<i>Deductible Type (Calendar year)</i>
<i>Prior Plan Deductible Credit Rider.....</i>	<i>Commission Rate.....</i>