

UNDERWRITING ASSUMPTIONS AND REQUIREMENTS

for Groups Size 2 – 50

Issued quotes are subject to the following:

- Groups must be headquartered in Utah.
- Regence BlueCross BlueShield of Utah (Regence BCBSU) must be the only carrier.
- Completed group information must be received 15 days prior to the requested effective date. In order to guarantee effective dates, all completed forms must be returned to Regence BCBSU at least 15 days prior to requested effective date.
- Current Applications and Group Health Questionnaires must be signed within 60 days of the group's effective date. If the forms expire, the entire group will have to re-sign and date, certifying that there have been no changes.
- Employer must contribute a minimum of 75 percent of the employee rate for insurance or 50 percent of the total cost of the insurance.
- All employees working 30 hours or more per week are considered eligible and are subject to participation guidelines.
- For groups enrolling effective **July 1, 2006** and after, participation guidelines for 2 to 50 eligible employees must be met.

| Group Size | Employee Participation |
|--|--|
| Group size by number of eligible employees | Percent of eligible employees who must participate after excluding those waiving due to other group coverage |
| 2 to 4 | 100% |
| 5 to 9 | 75% |
| 10 to 50 | 75% |

- Employer must carry Workers Compensation on all enrollees; however, 24-hour coverage is available and required for business owners who are not covered by Workers Compensation.
- Groups with a maximum rate-up moving off their anniversary date will be assessed a 25 percent surcharge of their annual premium.

Rates are based on the census data and group demographic information submitted for age, gender, family size, industry and geographic location. Regence BCBSU reserves the right to revise rates if any of this information varies at group's initial enrollment.

Initial rates are preliminary for the products selected and do not reflect the health status of the group. All eligible employees are required to submit health questionnaires. Once health questionnaires are submitted for all eligible employees and their dependents, an adjustment to the rates may be necessary.