



## Agent Guide



Administered by:



[www.alliednational.com](http://www.alliednational.com)

Underwritten by:

American Alternative Insurance Corporation  
*Rated "A+" (Superior) by A.M. Best Co.*

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- Premium Advantage Series
- No Deductible Plans
- HSA Qualified Plans
- Allied™ Cost Saver
- Allied™ Cost Saver PLUS Major Medical

This agent guide is intended to provide the information necessary for you to sell Wellness Horizons® group health insurance plans for small groups of two or more. It contains information on group eligibility, participation, case submission and agent appointment, as well as the answers to many questions concerning the underwriting of a group.

While every effort is made to make this guide as complete and accurate as possible, it is impossible to detail in writing all the special situations that arise in the underwriting process. Also, due to rapidly changing state and federal insurance laws, some of the provisions in this guide may be subject to change.

Please contact the Allied Sales Support Team at 1-888-767-7133 for up-to-date information for your state and for special underwriting situations.

## Established Business—Superior Service

Allied is one of the oldest marketers and administrators of small group benefit plans in the nation. Established in 1970, Allied has provided group insurance benefits and services to tens of thousands of employers and their employees across the United States.

Group health insurance is not a sideline; it is our oldest line of business!

Allied's group plans are fully insured by financially stable and well-known insurance companies.

We are proud of our innovation in product development and service. We currently offer group and individual insurance plans for Health, Dental, Life and Disability benefits.

All aspects of Allied's group insurance services are accessible to our customers through our toll-free 800 phone lines. All services are provided using state-of-the-art computerized systems.

Our employees are dedicated to providing the best service possible to the agents and businesses who have chosen Allied for their group insurance needs.

The family of Wellness Horizons® and Allied™ products includes group and individual insurance plans for Health, Dental, Life and Disability benefits.

## Rating

Because of the complexity of rating group products, Wellness Horizons® Health Plans are quoted using custom proposal software. We are happy to make this Windows® based proposal software available to you so that you can accurately quote our products.

If you would prefer, Allied Sales Support Representatives will take your census and prepare a quote for you, or you may work with a local Allied General Agent.

All group quotes are based on the eligibility and health information you provide. RATE PROPOSALS ARE NOT GUARANTEED. Final rates and group eligibility are determined at time of underwriting based on applications submitted to Allied.

## Multilocation – Multi-PPO Groups

For employer groups with employees in multiple locations or using multiple PPO networks, please contact Allied Sales Support for proper rating and quoting instructions.

## Composite Group Rating

Rates for Wellness Horizons Health Plans will, by default, be composited for groups with 15 or more enrolling employees unless requested otherwise. This provides a single, uniform rate for all enrolling employees and their dependents.

## High Child Content

Allied rate programs assume an average child content of three per family. Groups with an average child content greater than three may experience an increase in rates (not applicable in CA).

# Special Benefits

## Pre-Existing Conditions Benefit

A pre-existing conditions benefit allowance of \$1,000 is provided to all Insured Employees (and Dependents), unless their pre-existing condition limitation period is fully satisfied by creditable coverage. This is the total benefit amount that will be paid due to pre-existing conditions.

## Takeover Benefits

Takeover benefits allow a group to switch coverage while maintaining valuable credit toward such things as deductibles and pre-existing condition exclusion periods.

Standard benefits include takeover benefits that provide:

- Reduction of the pre-existing condition exclusion period for time under creditable coverage. Creditable coverage includes comparable individual plans so even new employees can qualify.
- Credit for deductibles on the employer's prior plan during the current calendar year. (Applies to maximum out-of-pocket for non-deductible plans.)

These takeover benefits are applicable to all initial insureds and subsequent timely additions to a group. However, any group or individual with a break in coverage exceeding 62 days (63 days in KS and TX) is not eligible for these takeover benefits.

## Optional Pregnancy Benefit

Available to any group initially insuring five (5) or more employees on the health plan. The pregnancy benefit is also available to smaller groups if in a state that has mandated that benefit. In CA - this benefit is automatically included for all size groups. Please consult Allied for full details.

## Optional Occupational Coverage

Owners, partners and corporate officers not covered by workers' compensation may elect to be covered on a 24-hour basis under this plan. If elected, all eligible owners, partners and corporate officers must take this coverage. (Not available with Cost Saver plan.)

## Optional \$500 Supplemental Accident Benefit

Pays 100% of charges incurred as the result of an accident up to a \$500 benefit. *(Only available with Premium Advantage Series.)*

## Dual Choice Option and Class Benefits

Allied supports the employer's ability/desire to sponsor two or more plan design choices (dual choice) or provide different benefits according to defined non-discriminatory benefit classes (dual class). For complete details about multiple benefit options, please contact Allied Sales Support.

## Special Underwriting Considerations

**Telephone Interviews** - Phone interviews verifying information with the group will be conducted by an Allied Underwriter on each case submitted.

**State Quarterly Unemployment Tax Report** - The most recent, complete report MUST be submitted with all new case applications and is required on an annual basis. This report must list all applying employees and their wages for that quarter.

**Effective Dates** - A group may request any effective date provided the employer application and the enrolling employees' applications are signed on or before the requested effective date and received in our office within five working days of that date. Receipt of 100% of employee applications and waivers is mandatory before coverage can be approved. In all circumstances, coverage is not in effect until approval is granted in writing by Allied.

# Underwriting Information

**The Allied Cost Saver limited benefit plan is *not* medically underwritten.** Employees fill out a simple enrollment form without medical questions. There are no rate-ups at underwriting time due to medical history.

**Wellness Horizons® Major Medical and Cost Saver PLUS Major Medical are** medically underwritten. Unless a Guaranteed Issue case, group acceptance and rates are based upon the medical risk presented by a group. Acceptance and rates are based upon the health of the entire group, and the case is either issued or declined on a group basis (no declination of individuals). Even for Guaranteed Issue cases, medical underwriting is required and allowed to determine the proper health rate load for the group.

## No Ineligible Industries

All industries are considered eligible for coverage under Wellness Horizons group plans.

## Industry Guidelines

Eligible groups are rated based on their specific industry using SIC codes. Group rates are discounted or loaded based on this classification. Allied's proposal software contains all appropriate loads as determined by a group's SIC code (industry loads do not apply in CA).

## Group Size and Eligibility

Wellness Horizons Health Plans are available for eligible small groups of two or more employees. Carve outs are permitted when allowed by state law and approved by underwriting.

Medically underwritten plans are available for groups of 2-50 employees.

The Allied Cost Saver limited benefit Plan may be written on any size group. However, it is not a voluntary style plan and employer contributions are required to meet participation requirements. Groups over 100 should be reviewed with Allied Sales Support prior to quoting or enrollment.

## Employee Eligibility

All employees, including owners, officers or partners, must be able to prove that they work full-time (a minimum of 30 hours per week; 24 in OK and 25 in OH) for the employer, and are compensated by regular periodic wages for services by the employer.

If the employer is a sole proprietorship or partnership, the proprietor or the partners will be considered to be employees only if actively at work and engaged full-time in the regular business of the employer. No director or officer of a corporate employer will be considered an employee solely because of such title.

Except where prohibited by state law, husband-wife only groups may be declined. Contact Allied Sales Support for further clarification on this topic.

## Dependent Eligibility

Eligible dependents are: an employee's legal spouse who is not legally separated or divorced from the employee and is not a member of the armed forces; and an employee's unmarried children, including step children, legally adopted or foster children, under the age of 25 who are primarily dependent (at least 50%) on the employee for support and maintenance.

## Effective Dates for Current and New Employees

Current employees are subject to a waiting period of 0, 1, 2 or 3 months from their date of hire (as selected by the employer) before they are eligible for coverage. All current employees who will be participating in the plan, regardless of their waiting period, must apply at the time of group application.

New employees hired after the firm's effective date will be effective the first of the month coinciding with, or next following, the end of your selected waiting period **IF** the application is received by Allied before the end of the waiting period.

## Group Participation

A minimum of two (2) insured employees is required at all times. A minimum participation of 75% of eligible employees is required at all times. Any employee who waives coverage because of qualifying existing coverage is not counted in the above participation total (unless the qualifying coverage is another plan with that same employer). However, except in CA, GA & OK, at least 50% of the full-time employees must participate in the plan on the case effective date for the group to be considered eligible. There is no minimum participation requirement for dependents.

If for any reason a participating employer falls below the employee percentage participation requirement, the employer will have three (3) months (six (6) months in TX) in which to reestablish the minimum participation requirement or insurance coverage will terminate.

A minimum participation of two (2) employees is required at all times. Falling below two lives will result in termination of all coverage if participation is not reestablished within three (3) months.

Prior to the firm's anniversary date, Allied will request the firm's most recent State Quarterly Unemployment Tax Report to verify continuing participation and eligibility.

## Special Cost Saver Rules:

- When allowed by state law and approved by underwriting, eligibility for participation in Wellness Horizons Major Medical and Cost Saver can be determined by occupational class (two classes on a non-discriminatory basis may be created).
- When approved by underwriting, Cost Saver may be used to provide benefits to a class of employees otherwise excluded from the employer's medical plan. Participation will be based on the eligible class.

## Waivers

Waivers must be completed for ALL eligible employees not enrolling for coverage. If the waiver is because of qualifying existing coverage under another employer sponsored plan, prepaid government plan, state health plan, or individual health plan, the waiver will not count against the calculation of the group's participation.

No more than 50% of the employees of a group may waive coverage for that group to continue to be eligible (except in CA, GA and OK).

## Pre-Existing Conditions

Pre-existing condition definitions and limitations vary by state and are constantly changing as new federal and state legislation is passed. Please see the plan brochure or contact Allied Sales Support for information for your state.

# Underwriting Guidelines for Case Submission

To expedite the processing of a case, an agent should:

- 1) Submit a copy of the proposal used to quote the submitted group.
- 2) Have the employer complete, sign and date the Employer Application in ink. Agent should complete and sign the producer information on the application.
- 3) Have each employee complete, sign and date an employee application in ink. Make sure all questions on the applications are answered completely and accurately.  
**For Wellness Horizons Major Medical and Cost Saver PLUS Major Medical:** Medical history for each applicant needs to include full details and dates. Some health conditions will require a specific disease questionnaire, the submission of medical records or attending physician's statements by the applicant. Any eligible employee or dependent not enrolling for coverage MUST complete a waiver form. An employee waiving coverage because they are covered under another employer's major medical plan will not be counted in the group's participation requirements.
- 4) Make certain all papers are signed in ink and dated on or before the requested effective date and received by Allied within five working days of the requested effective date.
- 5) Collect the first month's premium plus fees from the employer. It must be a preprinted company check payable to Allied National, Inc.

- 6) Submit a complete copy of the firm's most recent State Quarterly Unemployment Tax report, containing employee names, social security numbers and earnings. This provides us with information necessary to verify employee participation and eligibility.
- 7) Submit the group's most recent premium billing and proof of duration of prior coverage for each employee. Suitable proof is an individual or group certification of coverage or copies of a premium or rate notice showing enrollment and coverage one year ago. This will allow Allied Underwriting to verify the proper preexisting conditions credit for each employee.
- 8) All agents must be appointed with American Alternative Insurance Corporation. If not yet appointed, please contact Allied Sales Support for information.
- 9) Send all completed forms to your local Allied representative or mail to:

**ALLIED NATIONAL**  
**Underwriting Department**  
P.O. Box 29187  
Shawnee Mission, KS  
66201-9187

## Licensing and Appointment Information

All agents must be appointed by American Alternative Insurance Corporation (AAIC). Some states require appointment prior to solicitation of Wellness Horizons group health business. It is up to each agent to be aware of special licensing requirements in the state(s) in which he/she does business. Agents must be licensed in each state where they are soliciting and writing business.

If you are currently appointed with AAIC in your state, please send a copy of your appointment. Otherwise please contact Allied Customer Service or Sales Support about becoming an appointed agent. Appointment forms are required when a case is submitted.

AAIC will pay all state fees for initial and renewal appointments for new agents.



**Agent Sales Hotline:**  
**888-767-7133**

**Phone: 800-825-7531**  
**Fax: 816-221-4638**

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*The family of Wellness Horizons® and Allied™ products includes group and individual insurance plans for Health, Dental, Life and Disability benefits.*