

NEW Lovelace iPlan FAQs

Effective 7-1-11, Lovelace Insurance Company is launching a new Individual Plan product. The first effective date of coverage for this new product will be 8-1-11.

UNDERWRITING/QUOTING PROCESS

Is this plan medically underwritten?

Yes. All applicants will be medically underwritten and rated up if there are existing health risks or conditions.

What is the average turnaround time for the quote process?

Ten business days.

Will the broker be cc'd on the paperwork that is sent to the applicant?

Yes, the broker will be cc'd on quotes, whether binding or non-binding, as well as the Subscriber Agreement.

How many times will we reach out to an applicant for a tele-interview?

Once. We will leave a message for the member and they can call us back to schedule an appointment. Brokers will not be contacted for the tele-interview process.

RATING

How long are rates guaranteed for?

One year.

We will be offering renewals on the individual policies?

Yes. They will receive an annual renewal, much like our group policies.

Will we be increasing the premium at a member's birthday?

No. Their rates will not change until their renewal date.

What is the commission percentage for the new iPlan products?

10% of medical premium for 5 years.

Is a child eligible for a preferred rate?

No, only adults can get a preferred rate.

What percentage do we rate up for Tobacco use?

25%, one medical tier

CHILD-ONLY POLICIES

Is Lovelace offering child-only policies?

Yes, the new individual plans offer child-only policies. However, Lovelace is keeping our Open Enrollment Period for Children in place, so child-only applications will only be accepted during the month of July for an August, September or October effective date. For 2011, Lovelace will accept Child-Only applications until 6:00pm on August 15th. Applications cannot be more than 90 days old on the effective date of coverage. Lovelace Individual Plan Underwriting Guidelines will apply for effective dates of coverage.

Can multiple children within the same family apply for a Child-Only Policy on one application?

No, each child applying for Child-Only coverage must have a separate application.

APPLYING FOR COVERAGE

Can a family apply for coverage under the new iPlan?

Yes. The new plan is available for single applicants, as well as family applicants. All applicants will be medically underwritten.

Can a child enroll on a family plan outside of the Open Enrollment Period for Children?

Yes. Children can enroll on a family plan at the time of original application. They can only be added to a family plan mid-year if they experience a qualifying event.

PRE-EXISTING CONDITION LIMITATIONS

Are all applicants subject to pre-existing condition limitations?

No. Children under age 19 are not subject to pre-existing condition limitations. All other applicants are subject to the pre-existing condition limitations.

Will we accept creditable coverage for Individual plan applicants?

Yes, creditable coverage will be accepted from prior group policies.

ENROLLMENT/TERMINATION

On a family policy, do all enrollees have to be on the same plan?

Yes

What effective dates will we offer?

We will allow a 1st or 15th of the month effective date of coverage.

If a family is enrolled and someone under the policy terminates, will new rates be calculated?

Yes, new rates will be calculated for the family at the time of termination. If an adult on the policy terminates, it may result in the loss of the discount for the contract-holder and spouse.

If a member on our old iPlan has a baby, will that child be enrolled on the new product, or will we allow the newborn to enroll on the old iPlan?

The newborn child would be enrolled onto the same plan that the mother or father is on.

Until what age do we allow dependents to enroll on a family policy?

Dependents up to age 19 can enroll on a family policy. If the dependent is 19 or older, he or she must apply for a policy separately.

If a family policy is in place and both parents terminate coverage, will the child(ren) be moved to a child-only policy?

No, the child's coverage would terminate with the parent's coverage, as there is no longer a family policy in place. The child could re-enroll during the Child-Only Open Enrollment Period.

BENEFITS

Does the new plan offer maternity coverage?

Yes, there is a maternity rider available for purchase. This rider can only be added at the time of initial application or at the renewal date of the policy. The rider is not available with the HDHP or Child-Only policies.

Are the High Deductible Health Plans HSA qualified?

Yes.

Do we have a banking arrangement in place for a member that wants an HSA with their HDHP?

We have an agreement with OptumHealthBank. There is no charge for Lovelace iPlan members to sign up for an HSA with Optum. The member can visit www.optumhealthbank.com to enroll.

OLD IPLAN PRODUCT

Will the old Individual Plans still be available to new applicants?

No.

Will individuals enrolled on the old iPlan be forced to move to the new product?

No. We will notify these enrollees of the new product towards the end of the year. If they wish to enroll in this plan, they must apply as if they are a brand new applicant and coverage is not guaranteed.

Will members under the old product be able to change their benefits?

No. If they wish to change coverage, they will need to apply for the new product.

Why is Lovelace waiting until the end of the year to notify the current iPlan members?

The deductible for both the current iPlan and the new iPlan are calendar year deductibles, so it is in the best interest of the member to stay on the plan and enroll for a January effective date.