

Aetna Funding Advantage Underwriting Brochure

Plans effective October 1, 2018

For businesses with 5 enrolled – 50* eligible full-time employees

***For CO domiciled businesses with 5 enrolled – 100 eligible full-time employees**

***For CT, MA and OH domiciled businesses with 5 enrolled – 100 eligible full-time employees**

Underwriting Guidelines

This material is for informational purposes only and is not intended to be all inclusive. These guidelines in part are established in support of state requirements regulating AFA’s stop loss coverage component. Other policies and guidelines may apply.

Note: Federal legislation/regulations and some state legislation/regulations, take precedence over any and all underwriting rules. Exceptions to underwriting rules require approval of the Director of Underwriting or Management. This information is the property of Aetna and its affiliates (“Aetna”), and may only be used or transmitted with respect to Aetna products and procedures, as specifically authorized by Aetna, in writing.

All underwriting guidelines are subject to change without notice.

Product Availability

- The Aetna Funding Advantage Product may be offered on a standalone basis or with fully-insured ancillary coverage.
- An employer may select up to 4 AFA medical plans.
- Groups may change or add plans on the renewal/plan anniversary date only.
- It is in Aetna’s discretion whether a renewal is offered to a group on the Aetna Funding Advantage Product. The product is not guaranteed renewable.

Billing

- First month’s binder check not required for AFA.
- Monthly Costs are funded via an ACH Debit. Payment via check is not allowed with this product.
- Bills will be available around the 25th of the month and the ACH Debit takes place the 2nd business day of the next month.
- No separate bank account required. The self-funded employer will need to complete the Aetna Funding Advantage Self-Funded Banking Consent Form indicating which account they would like to use to fund the monthly bills.
- Only one billing division will be allowed.

Carve-Out

- Management carve-outs and other carve-outs are not permitted.

COBRA/State Continuation

- COBRA applies to employers with 20 or more employees on more than 50% of its typical business days in the previous calendar year.
 - Include: full-time, part-time, seasonal, temporary, union, owners, partners, officers.
 - Exclude: self-employed persons, independent contractors (1099), directors.
 - Each part-time employee counts as a fraction of an employee, with the fraction equal to the number of hours the part-time employee worked divided by the hours an employee must work to be considered full-time.
- With Aetna’s consent, State Continuation/Mini-COBRA/Spousal Continuation beneficiaries are eligible to enroll with the Aetna Funding Advantage product. The Employer is responsible for complying with the state specific laws regarding any such coverage offered.
- Because COBRA is directed at employers, the decision to comply with COBRA should be made by the employer. In situations where it may appear the employer is not subject to COBRA, for example a group of 5 enrolled employees requesting COBRA, we will ask the self-funded employer to “validate” the number of employees in the prior calendar year in order to determine the number of employees for COBRA purposes.

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COBRA/State Continuation (Continued)

- Companies under common ownership are included in the count.
- COBRA/State Continuation beneficiaries are not billed separately and are included with the self-funded employer's bill.
- If the COBRA/State Continuation beneficiary does not reside in an Aetna service area, they are only eligible for Out-of-Network benefits, if applicable; or urgent/emergency care.
- COBRA/State Continuation eligible beneficiaries are required to be included on the census.
- The qualifying event, length, start date and end date must be provided.
- COBRA/State Continuation beneficiaries are not to be included for the purpose of counting employees to determine the size of the case. Once the size of the case has been determined according to the law applicable to the employer, COBRA/State Continuation beneficiaries can be included for coverage subject to normal underwriting guidelines.
- Aetna reserves the right to revise the Service Fees and Stop Loss Premium Rates or withdraw the quote if:
 - The total number of COBRA enrollees exceeds 10% of the total eligible Employees.

Coordination of Benefits

- This stop loss policy offered in connection with AFA assumes that the plan that is administered always pay medical claims secondary to no-fault automobile insurance personal injury protection coverage.

Counting Employees To Determine Case Size

In order to be eligible for Aetna Funding Advantage 5-50*, the employer must (a) employ a minimum of 5 enrolled full-time employees and no more than 50* eligible full-time employees and (b) meet all of the requirements of the 5 enrolled – 50* eligible employer definition.

Union employees are included in the total count of eligible employees in determining case size except if the Union is covered under a collective bargaining agreement.

Once case size has been determined to be Small Group, Union employees, as a class, may be excluded by a self-funded employer as not being eligible for coverage if covered under a collective bargaining agreement.

The following describes the counting methodologies known as the Total Average Employee (TAE) Counting Methodology, Full-time Equivalent (FTE) Counting Methodology and Eligible Employees Counting Methodology.

The counting methodologies are used to determine rating segment for the Stop Loss product.

See counting methodologies by state on the next page.

*CT, MA and OH domiciled groups - In order to be eligible for Aetna Funding Advantage 5-100, the employer must (a) employ a minimum of 5 enrolled full-time employees and no more than 100 eligible full-time employees and (b) meet all of the requirements of the 5 enrolled – 50 or the 51 – 100 eligible employer definition.

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Counting Employees To Determine Case Size
(Continued)

State	AFA Counting Method	State	AFA Counting Method
AZ	Eligibles	MO	Eligibles
CO	FTE	MS	Eligibles
CT	FTE	NC	FTE
DE	Eligibles	NE	Eligibles
FL	Eligibles	NJ	FTE
GA	Eligibles	NV	Eligibles
IA	Eligibles	OH	Eligibles
ID	Eligibles	OK	Eligibles
IL	Eligibles	PA	Eligibles
KS	Eligibles	SC	Eligibles
KY	Eligibles	TN	Eligibles
LA	Eligibles	TX	Eligibles
MA	Eligibles	UT	Eligibles
MD	FTE	VA	Eligibles
ME	Eligibles	WI	TAE
MI	Eligibles	WV	Eligibles
MN	Eligibles	WY	Eligibles

Total Average Employee (TAE) Counting Methodology will be used for WI domiciled groups.

- To calculate the annual average total number of employees in the **previous calendar year**:
 1. Count any employee receiving a W-2. This includes full-time, part-time, and seasonal workers who may or may not have been eligible for your medical coverage (this does not include 1099 independent contractors).
 2. When calculating the average, consider all months of the previous calendar year regardless of whether the group has coverage with Aetna, another carrier or no coverage at all.
 3. Add each month's number to get an annual total, and then divide by 12.
 4. Use whole numbers only (no decimals, fractions, or ranges). Round up or down to the nearest whole number. (Example: 24.6 = 25)
 5. Newly formed business - calculate the prior year average using only those months the group was in business; or use reasonable expected total employees if the group was not in business the prior year.
- Illustrative Quote - use the TAE count at time of quote.
- Groups with 50 or fewer total average employees in the **previous calendar year** are rated as a small employer no matter the number of eligible or enrolling.
 - If the TAE is 5-50 in the **previous calendar year** and the eligible is more than 50, this is a 5-50 group.
Example: 45 TAE based on previous calendar year; 65 eligible - this is a 5-50 group.

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Counting Employees To Determine Case Size (Continued)

Full-Time Equivalent (FTE) Counting Methodology will be used for CO, CT, MD, NC and NJ domiciled groups.

- Group size is only determined on issuance and at the time of renewal based on the **prior calendar year**. Mid-year fluctuations in the number of employees do not affect a determination of group size. Since employers average their number of employees across months in the year, fluctuations are taken into account ahead of time.
- Business not in existence the prior year should calculate the group size based on the "average number of employees the employer is reasonably expected to employ on business days in the current calendar year."
- Full-time employees are those who worked on average 30 hours or more a week for more than 120 days in a year (even if they are not enrolling for health coverage); or the number of employees the employer expects to work these hours. If the total number of employees isn't a whole number, round it down to the nearest whole number.
- Include in the count (even if they are not eligible nor enrolling for health coverage):
 - All full-time employees of a group if the business is affiliated with another employer, under common ownership, or a part of a controlled group.
 - Employees under a common group in other states
 - Part-time employees who worked on average less than 30 hours per week
 - Union employees
- Don't include (while these employee types should not be included in the FTE calculation, they may still qualify for coverage):
 - Owners of a sole proprietorship
 - Partners, shareholders owning more than 2% of an S corporation, and owners of more than 5% of other businesses. It is possible they could be included if they met the definition of a common law employee and would need to provide documentation as a common law employee.
 - Family members or members of the household who qualify as dependents on the individual income tax return of a person listed in the bullets above, including a spouse, child (or descendant of a child), sibling or step-sibling, and parent (or ancestor of a parent), step parent, niece or nephew, aunt or uncle, son-in-law, daughter-in-law, father-in-law, mother-in-law, brother-in-law, or sister-in-law.
 - Seasonal workers working 120 days or less in a year. There is a limited exception to counting seasonal workers if counting them is what triggered the employer to be large rather than small only because of their employment for 120 days or fewer. Only then should they not be counted.
 - Independent contractors (form 1099 workers) who are not common law employees.
 - COBRA/State Continuation unless there is a permitted exception under 42 USC 300gg-91 (d) (5).
 - Retired enrollees
- How to calculate
 - Full-time employees that work at least 30 hours per week in any month are counted as one full-time employee. This amount is added to the number of part-time employees.
 - Part-time employees are counted by taking the hours worked by all part-time employees in a week and dividing that amount by 30.
 - Seasonal employees working up to 120 days in a year are not counted in the calculation.

Example 1: 15 employees working 30 hours or more 15
 5 employees working 20 hours per week 3 (5x20 = 100÷30 = 3.33 = 3)
18 Average number of FTE

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Counting Employees To Determine Case Size
(Continued)

Example 2: 35 employees working 30 hours or more 35
 30 employees working 25 hours per week 25 (30x25 = 750÷30 = 25)
60 Average number of FTE

- When the FTE in the **prior calendar year** is 50 or fewer it will always be small group 5-50 no matter the number of eligible or enrolling.
Example: 45 FTE in the prior calendar year; 60 eligible – this is a 5-50 group.

Eligible Employee Counting Methodology will be used for all other domiciled states not listed in the TAE or FTE Counting Methodology

Current eligible employees will be used as the counting methodology to determine case size for all other states not mentioned above. Please refer to the Employee Eligibility section for the definition and criteria of an eligible employee.

Dependent Eligibility

- Spouse of employee, domestic partners (same and opposite sex) - if both husband and wife/partner work for the same company, they may enroll together or separately.
- Children
 - Children are eligible as defined by the self-funded employer in accordance with applicable federal laws, up to the end of the month the dependent turns age 26, regardless of financial dependency, employment, eligibility of other coverage, student status, marital status, tax dependency or residency. This requirement applies to natural and adopted children, stepchildren and children subject to legal guardianship.
 - Children can only be covered under one parent’s plan when both parents work for the same company.
 - When the child works for the same company as the parent, the child may enroll separately as an employee or as a dependent under the parent’s plan.
 - Grandchildren are eligible if court ordered to cover the grandchild under the plan. A copy of the court order must be submitted.
 - Incapacitated child - attainment of limiting age will not terminate the coverage of the child while the child is and continues to be both incapable of self-sustaining employment by reason of mental retardation or physical handicap and chiefly dependent upon the employee or spouse/domestic partner for support and maintenance. Proof of incapacity and dependency shall be furnished to Aetna within 31 days of the child’s attainment of the limiting age and subsequently as we may require it, but not more frequently than annually after the two-year period following the child’s attainment of the limiting age.
- Dependents must enroll in the same benefits as the employee.
- COBRA/State Continuation dependent beneficiaries should be included and noted as COBRA/State Continuation in enrollment submission.

Domiciled State

- The domiciled state is considered where the permanent legal company headquarters resides.
- If no eligible employees work in the domiciled state where the business is located, the group would not be eligible for the AFA Product.

Effective Date

- The effective date must be the 1st of the month.
- The Plan’s effective date may be requested up to 90 days in advance.

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Employee Eligibility

- Eligible employees include the partners of a partnership, but does not include an employee who works on a seasonal, temporary or substitute basis. Eligible employee shall include any employee who is not actively at work, but is covered under the small employer's health insurance plan pursuant to workers' compensation and COBRA/State Continuation.
- To be an eligible employee, each employee must meet the eligibility guideline to be counted under the normal work week hours rule listed in the Employer Eligibility section.
- Coverage must be extended to all employees meeting the above conditions, unless they belong to a union class excluded as the result of a collective bargaining arrangement.
- Employees not eligible for coverage include independent contractors (1099's), leased, part-time, temporary, seasonal or substitute employees, uncompensated employees, employees making less than equivalent minimum wage, volunteers, inactive owners, directors, shareholders, officers, outside consultants, managing individuals who are not active, investors or silent partners.
- Retirees are not eligible for the AFA product.

Employee Enrollment

- Employee enrollment may be submitted via Springboard Marketplace®, Aetna's eList Tool or the AFA Individual Medical Questionnaire (AFA Enrollment/Change Request Form) paper enrollment form. The preferred method is Springboard Marketplace®.
- All enrollments are required when the case is submitted. Once Springboard shopping has been closed, enrollment changes are not permitted. For cases outside of Springboard, once the eList Tool has been submitted there will be no additional changes or enrollments permitted.
- For Springboard Marketplace®, please complete and submit the Defined Contribution and Census Template. https://www.aetna.com/producer/SmallGroup/springboard_marketplace.html
- The eList Tool is available on Producer World at <https://www.aetna.com/producer/SmallGroup/e-list.html>
- IMPORTANT: Be sure and download a fresh eList Tool from Producer World for every case instead of saving one version to your desktop.
- When the eList Tool is used, the employee enrollment forms do not need to be included in the sold case submission. All the required information must be entered into the eList Tool. Please keep a copy of the paper enrollment forms on file for auditing purposes.
- Waivers must be recorded in Springboard Marketplace® or the eList tool.
- Employees in the benefit waiting period for groups not waiving the benefit waiting period should not be included.
- COBRA/State Continuation beneficiaries should be included and noted as COBRA/State Continuation.
- All enrollments, including COBRA/State Continuation enrollments, must be completed prior to the group's effective date or renewal/plan anniversary date.
- Once a group has been issued or renewed, the open enrollment period is closed. Late enrollments are not permitted.

Employer Contribution

- We require the employer pay 50% of the total contributions for the cost of coverage of the lowest cost plan option selection; or
- 50% of employee only contributions for the cost of coverage of the lowest cost plan option selection.

5 Enrolled - 50 Eligible Employer Definition

- Small employer means any person, firm, corporation, limited liability company, partnership or association actively engaged in business or self-employed for at least three consecutive months who, on at least 50% of its working days during the current 12 months, employed at least 5, but no more than 50 eligible employees(*) (**); **and** covers at least 5 employees*** on the first day of the Plan Year.
- Small employer includes a self-employed individual. For the purposes of determining the number of eligible employees under this subdivision:

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5 Enrolled - 50 Eligible Employer Definition (Continued)

- Companies that are affiliated companies, or that are eligible to file a combined tax return for purposes of taxation shall be considered one employer;
 - Employees covered through the employer by health insurance plans or insurance arrangements issued to or in accordance with a trust established pursuant to collective bargaining subject to the federal Labor Management Relations Act shall not be counted;
 - Employees who are not actively at work, but are covered under the small employer's health insurance plan pursuant to workers' compensation, continuation of benefits or other applicable laws shall not be counted; and
 - To be counted, each employee must meet the normal work week hours rule listed in the Employer Eligibility section.
- Small employer does not include a sole proprietorship that employs only the sole proprietor or the spouse of such sole proprietor.
 - Union employees are included in the total count of eligible employees in determining case size except if the Union is covered under a collective bargaining agreement.
- *For CO, the small employer definition extends through 100 eligible full-time employees.
 **For CT, MA and OH, the 51 – 100 large employer definition in the 51 – 100 Eligible Employer Definition below should be referenced.
 ***COBRA/State Continuation participants do not count towards the number of enrolled employees to determine Employer Eligibility for the AFA product.

51 - 100 Eligible Employer Definition (CT, MA and OH Domiciled 51-100 Eligible Groups)

- Large employer means any person, firm, corporation, limited liability company, partnership or association actively engaged in business or self-employed for at least three consecutive months who, on at least 50% of its working days during the current 12 months, employed no more than 100 eligible employees.
- For the purposes of determining the number of eligible employees under this subdivision:
 - Companies that are affiliated companies, or that are eligible to file a combined tax return for purposes of taxation shall be considered one employer;
 - Employees covered through the employer by health insurance plans or insurance arrangements issued to or in accordance with a trust established pursuant to collective bargaining subject to the federal Labor Management Relations Act shall not be counted;
 - Employees who are not actively at work, but are covered under the small employer's health insurance plan pursuant to workers' compensation, continuation of benefits or other applicable laws shall not be counted; and
 - Employees who work a normal work week of less than 30 hours shall not be counted. A large employer shall continue to apply until the anniversary date following the date the employer no longer meets the requirements of this definition.
- Large employer means an employer that employed at least 51 but not more than 100 employees on business days during the current calendar year and employs at least 51 employees on the first day of the Plan Year.
- The number of eligible employees shall be determined by:
 - The number of full-time employees for each month who work a normal work week of 30 hours or more.

Employer Eligibility

- For all groups domiciled in an AFA state, companies that are affiliated companies under Section 414 of the Internal Revenue Code or are eligible to file a combined tax return for the purposes of taxation under state law shall be treated as one employer.
- For CT domiciled groups, companies that are affiliated companies or that are eligible to file a combined tax return for purposes of taxation under chapter 208 shall be considered one employer.

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Employer Eligibility
(Continued)

- Employees covered through a collective bargaining agreement shall not be counted.
- Employees who work a normal work week of less than 30 hours per week shall not be counted, unless Aetna provides the group an exception to the 30 hour requirement.
- There must be at least one eligible W-2 employee who is not an owner and not the owner's spouse.
- Partners and LLCs filing as a partnership are eligible even if there are no W-2 employees.
- Organizations must not be formed solely for the purpose of obtaining health coverage.
- Medical plans can be offered to sole proprietorships, partnerships or corporations with 5 or more eligible employees.
- **Delaware** domiciled employer must have at least 16 eligible employees and a minimum of 10 enrolled employees.
- **Nevada** domiciled employer must have at least 10 eligible employees and a minimum of 10 enrolled employees.
- **North Carolina** domiciled employer must have at least 26 eligible employees and a minimum of 20 enrolled employees.
- All other AFA states not mentioned above must have: (a) at least a minimum of 5 eligible and a minimum of 5 enrolled employees and (b) meet all the requirements of the 5 enrolled-50 eligible employer definition (or the 51 – 100 eligible employer definition for CT, MA and OH domiciled businesses). *COBRA/State Continuation participants do not count towards the number of enrolled employees to determine Employer Eligibility for the AFA product.
- Associations, Taft-Hartley groups, professional employers organizations (PEO)/employee leasing firms and closed groups (groups that restrict eligibility through criteria other than employment) and groups where no employer/employee relationship exists are not eligible.
- Groups that terminate their AFA contract and request to be re-written with AFA must wait at least 6 months from the termination date to be re-written as New Business.
- If no eligible employees work in the domiciled state where the business is located, the group would not be eligible for the AFA Product.
- For Minnesota, the employer's headquarters must be within counties in the Minneapolis area. Please review the Allina Health Aetna Funding Advantage Underwriting Guidelines for the specific county list and other important information on the offering in Minnesota.

ERISA Requirement Under Employer Eligibility

- In order to be eligible for AFA, the health plan must be governed under the Employee Retirement Income Security Act of 1974 (ERISA). In general, ERISA does not cover group health plans established or maintained by governmental entities, churches for their employees, or plans which are maintained solely to comply with applicable workers compensation, unemployment, or disability laws. ERISA also does not cover plans maintained outside the United States primarily for the benefit of nonresident aliens or unfunded excess benefit plans.
- Below is a listing of ineligible industries which is not all inclusive.

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ERISA Requirement Under Employer Eligibility (continued)	AFA Ineligible SIC Codes / Industries
	43xx U.S. Postal Service
	8661 Churches, temples, and shrines and non-church religious organizations (convent, monastery, religious instruction)
	91xx Executive, Legislative, And General Government, Except Finance
	92xx Justice, Public Order, And Safety
	93xx Public Finance, Taxation, And Monetary Policy
	94xx Administration Of Human Resource Programs
	95xx Administration Of Environmental Quality And Housing Programs
	96xx Administration Of Economic Programs
	97xx National Security And International Affairs

Late Applicants

- An employee or dependent requesting to enroll for coverage after the effective date or renewal/plan anniversary date is considered a late applicant.
- Voluntary termination of coverage is not a qualifying life event unless it is done at open enrollment. For example, if a spouse is covered through his/her employer and voluntarily terminates the coverage, it is not a qualifying event to be added to the other spouse's plan. The spouse who cancelled the coverage must wait until the next open enrollment to be eligible to enroll. However, if each spouse has different open enrollment dates and drops coverage during their annual open enrollment period, the spouse is eligible to enroll.
- Late applicants without a qualifying life event (e.g. marriage, divorce, newborn child, adoption, loss of spousal coverage, etc.) are not allowed and will be deferred to the next Agreement and Stop Loss Policy Renewal Date of the Plan and must re-apply for coverage 30 days before the Plan's renewal date.

Licensed, Appointed Producers

- Only appropriately licensed agents/producers appointed by Aetna may market, present, sell and be paid consultant fees on the sale of Aetna AFA products.
- License and appointment requirements vary by state and are based on the employer situs state of the case being submitted.
- To become appointed with Aetna go to www.aetna.com/insurance-producer/index.html and click "Start working with Aetna".

Medical Underwriting

- 5-50 eligible (CO, CT, MA and OH employers 5-100 eligible) employers enrolling less than 15 employees* (see below for guidelines regarding CT, FL, GA, KS, MA, MO, NC, NE, NJ and TX domiciled groups) must complete the AFA Individual Medical Questionnaire (AFA IMQ) either via the Aetna EasyAppsOnline or the paper enrollment form. The preferred method is the Aetna EasyAppsOnline portal. The tool and instructions are available on Producer World. <https://www.aetna.com/producer/SmallGroup/afa.html>
- 5-50 eligible (CO, CT, MA and OH employers 5-100 eligible) employers enrolling 15 or more employees* (see below for the guidelines regarding CT, FL, GA, KS, MA, MO, NC, NE, NJ and TX domiciled groups) can be medically underwritten via a member level census. Underwriting reserves the right to request Individual Medical Questionnaires on groups enrolling 15 or more employees in certain situations as the member level census may be deemed insufficient.
- CT, FL, GA, KS, MA, MO, NC, NE, NJ and TX domiciled 5-50 eligible (CO, CT, MA and OH employers 5-100 eligible) groups allow groups of 10 or more enrolling employees* can be medically underwritten via a member level census. NC domiciled groups allow groups of 20 or more enrolling employees* (with a minimum of 26 eligible employees) can be medically underwritten via a member level census.

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Medical Underwriting
(continued)

- Employers or individuals seeking an Aetna product for the first time (virgin groups) with no current medical coverage are required to complete the AFA Individual Medical Questionnaire (AFA IMQ).
- Current self-funded employers must provide the most current existing carrier's claim experience reports.
- Full disclosure of all claims in excess of \$25,000 is required at time of quote with copies of existing carrier's/administrator's source reports.
- Medical conditions of COBRA/State Continuation beneficiaries are included in the Monthly Costs calculation.
- Medical claims may be reviewed for any individuals who had prior Aetna coverage and used along with the health information included on the AFA Individual Medical Questionnaire and included in the overall medical assessment of the case.
*COBRA/State Continuation participants do not count towards the minimum number of enrolled employees to medically underwrite a group.

Medicare Secondary Payer for CMS Reporting

- Each year, all self-funded employers must report to CMS (Centers for Medicare & Medicaid Services) the number of Medicare secondary payer (MSP) employees, based on the number of employees covered by the Plan.
- MSP is the term used by Medicare when Medicare is not responsible for paying first. This is generally when the Plan would pay primary to Medicare for active employees and would pay first when there are 20 or more total employees (full and part-time) for 20 or more weeks during this calendar year or prior calendar year.
 - Include: full-time, part-time, seasonal, temporary, union, owners, partners, officers.
 - Exclude: self-employed persons, independent contractors (1099), directors, leased employees.

Monthly Costs Information

- Monthly Costs are based on final enrollment and require that:
 - No portion of the Participant's cost sharing, including but not limited to, copayments, deductibles and/or coinsurance balances, will be subsidized or funded by the employer, with the exception of a federally qualified Health Reimbursement Account (HRA) or Health Savings Account (HSA), whether insured or self-funded, including but not limited to a partially self-funded Section 105 wraparound, now or in the future; and
 - If the employer funds the deductible of the quoted health plan through an HRA or HSA in excess of 50% annually, an additional factor will apply to the overall cost.
 - All quotes are subject to change based on additional information that becomes available in the quoting process and during case submission/installation, including any change in census.
 - All Monthly Costs will be quoted on a four-tier structure: employee; employee + spouse; employee + child(ren); and family.
 - The Monthly Costs may be revised if enrollment changes by more than +/- 10% from the initial quote enrollment projection.
 - If any of the information we receive is determined to be incomplete or incorrect, we reserve the right to adjust the quoted Monthly Costs.
 - For cases requiring Individual Medical Questionnaires, 100% of all enrolling employees and dependents must submit an Individual Medical Questionnaire. Any census changes from the quote to sold case will impact the Monthly Costs.
 - Aetna may adjust the Monthly Costs if census changes occur from the quote to sold case.
 - Aetna reserves the right to revise the Service Fees and Stop Loss Premium Rates or withdraw the quote if:
 - The total number of COBRA enrollees exceeds 10% of the total eligible Employees.
 - The total number of Indemnity enrollees exceeds 10% of the total eligible Employees.
-

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Newly Formed Business	<ul style="list-style-type: none"> • A company must have been in business for a minimum of three months to be eligible for an AFA quote.
Open Enrollment	<ul style="list-style-type: none"> • Annual Group Open Enrollment may last up to 30 days and must end prior to the renewal/plan anniversary date.
Option Sales	<ul style="list-style-type: none"> • All medical plans must be offered on a full-replacement basis. • No other employer-sponsored medical plan can be offered.
Out-of-State (OOS) Employees	<ul style="list-style-type: none"> • Out-of-state Participants residing outside of the Choice POS II Network or PPO Network (AZ domiciled groups) may enroll in the AFA Indemnity plan. • Aetna reserves the right to revise the Service Fees and Stop Loss Premium Rates or withdraw the quote if: <ul style="list-style-type: none"> ○ The total number of Indemnity enrollees exceeds 10% of the total eligible Employees.
Participation Medical	<p>Non-contributory plans (self-funded employer pays all Plan contributions)</p> <ul style="list-style-type: none"> • 100% excluding valid waivers. <p>Contributory plans (Plan contributions are paid by both the self-funded employer and enrolled Employees)</p> <ul style="list-style-type: none"> • 50% of the total eligible employees, rounding down. <p>Waivers</p> <ul style="list-style-type: none"> • All employees waiving coverage must complete the waiver section of the AFA Individual Medical Questionnaire (AFA Enrollment/Change Request Form). • Waivers can be submitted on the Springboard Marketplace® or eList Tool - it must include the employee name, reason for waiving, number of hours worked per week and date of hire (date of hire only required if the self-funded employer is not waiving the benefit waiting period). Be sure the self-funded employer keeps a copy of the paper applications on file for auditing purposes. • Valid waivers include: <ul style="list-style-type: none"> ○ Spousal group coverage ○ Parental group coverage ○ Medicare ○ Medicaid ○ TriCare, Champus/ChampVA - Military coverage ○ Retiree coverage through a previous employer ○ Group coverage through a second full-time job • Dependent participation is not required.
PEO (Professional Employer Organization) Groups Covered Under a PEO	<ul style="list-style-type: none"> • At the time of sale, groups currently with a PEO are not eligible for Aetna's AFA product. • At the time of sale, groups that indicate they have terminated their PEO contract must provide a copy of the letter sent to the PEO indicating they are terminating their relationship and the effective date of the termination.
Plan Change Participant Level	<ul style="list-style-type: none"> • Plan Participants are not eligible to change Benefit Plan Options until the Plan's open enrollment period, which must also coincide with the Agreement Period (except for qualified special enrollment events).
Plan Change Benefit Level	<ul style="list-style-type: none"> • Plan changes can be made on the Agreement anniversary date only.
Prior Aetna Coverage	<ul style="list-style-type: none"> • Fully-insured groups that we have terminated for non-payment must pay all premiums still owed on the prior Aetna plan before the new AFA Agreement will be issued. • Groups that terminate their AFA contract and request to be re-written with AFA must wait at least 6 months from the termination date to be re-written as New Business.

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Replacing Other Group Coverage	<ul style="list-style-type: none"> Do not cancel any existing medical coverage until the employer has been notified of approval.
Signature Dates	<ul style="list-style-type: none"> The Aetna Employer Application and all enrollment applications must be signed and dated before the requested effective date and within 90 days of the requested effective date. All enrollment applications must be completed by the employee himself/herself.
Tax Documents 5 Enrolled to 50 Eligible Employees (For CO, CT and MA domiciled businesses - 5 enrolled to 100 Eligible Employees)	<ul style="list-style-type: none"> No QWTS (Quarterly Wage and Tax Statement) is required unless requested by the underwriter.
Two or More Companies Affiliated Associated Multiple Companies Common Ownership	<ul style="list-style-type: none"> All persons treated as a single employer under subsection (b), (c), (m), or (o) of section 414 of the Internal Revenue Code of 1986 shall be treated as one employer. Employers who have more than one business with different tax identification numbers (TINs) may be eligible to enroll as one AFA Client if all the following are met: <ul style="list-style-type: none"> One owner has controlling interest of all businesses to be included; OR the owner files (or is eligible to file) an Affiliations Schedule, IRS Form 851, a combined tax return for all companies to be included. If they are eligible but choose not to file Form 851, please indicate as such. A copy of the latest filed tax return must be provided; and All businesses filed under one combined tax return will be considered a single self-funded employer. For example, if the self-funded employer has three businesses and files all three under one combined tax return, then all three businesses must be enrolled for coverage in the one self-funded Plan. If the request is for only two of the three businesses to be enrolled, the case will be considered a carve-out. There are 50 or fewer employees in the combined employer businesses. All full-time employees of affiliated companies, under common ownership, or a part of a controlled group along with employees under a common group in other states must be included in the enrollment count. Businesses with equal controlling interest may be considered, if the owners of the company designate an individual to act on behalf of all the businesses. Underwriting reserves the right to final underwriting review, and may consider common ownership on a case-by-case basis. <p>Example: One owner has controlling interest of all companies to be included:</p> <ul style="list-style-type: none"> Company 1 - Jim owns 75% and Jack owns 25% Company 2 - Jim owns 55% and Jack owns 45% <p>Both companies can be written as one case since Jim has controlling interest in both businesses.</p>
Waiting Period	<ul style="list-style-type: none"> At initial submission of the case, the benefit waiting period (BWP) may be waived for current employees upon the self-funded employer's request. This should be checked on the employer application. The BWP for future employees may be the 1st of the month following 0 days, 30 days, 60 days, or exactly 90 days following the employee's date of hire.

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Waiting Period
(continued)

- Date of hire BWP is not available.
- One BWP may be selected.
- A change to the BWP may only be made on the renewal/plan anniversary date.
- No retroactive changes will be allowed.
- BWP must be consistently applied to all Plan Participants, including newly hired key employees.
- For new hires, the eligibility date will be the first day of the calendar month following the waiting period, not to exceed 90 calendar days from the date of hire. Calendar month refers to the Plan Year effective date of the 1st.
 - If “0” days is selected, and the Plan has a 1st of the month bill cycle, and the employee is hired on the 1st of the month, the effective date will be the date of hire.
 - If “Exactly 90 Days” is selected, the enrollment eligibility date will begin 90 calendar days from the date of hire.

Examples	1 st of the month following the BWP
0 days	Date of hire: 4/1 Effective date: 4/1
0 days	Date of hire: 4/18 Effective date: 5/1
30 days	Date of hire: 4/18 Effective date: 6/1
60 days	Date of hire: 4/18 Effective date: 7/1
90 days	Date of hire: 4/18
exact	Effective date: 7/16 not 8/1 – exactly 90 days from the date of hire

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