

# Small Business Group Life Underwriting Guidelines



## General guidelines for groups of 2–50

- Employees must meet the Actively-at-Work Requirement in order to be eligible. Additionally, they must be working full-time at the employer's regular place of business at least 20 hours per week to be eligible. **Note:** The number of hours must coincide with Health Net medical eligibility guidelines; part-time employees, seasonal employees and 1099s are not eligible.
- Retiree life is not available.
- Composite rates available for groups of 15 or more.
- Dependent Life:
  - » Two options available for all groups:
- 1. High: \$5,000 Spouse, \$1,000 Child, \$200 Infant (6 months, 14 days).
- 2. Low: \$2,000 Spouse, \$1,000 Child, \$100 Infant (6 months, 14 days).
  - » Not available on a stand-alone basis.
- Job classifications:
  - » Class I – Officers, Managers, Supervisors; and Class II – All other employees.
  - » Class I – Salary; and Class II – Hourly.
  - » There must be at least one person in the top class when rating a group by job classification and at least two or more people in all other classes.
- Medical Evidence of Insurability is necessary:
  - » For amounts in excess of Guaranteed Issue.
  - » If coverage is applied for later than 31 days from the date of eligibility.
- Subject to underwriting approval:
  - » Medical conditions reported on the EOI.
  - » Coverage requiring EOI will not become effective until approved in writing by Health Net Life.
  - » Some SIC classifications are excluded.

## Groups of 2–9 eligible employees

- Life benefit of \$15,000.
- Employer contribution and participation must be 100%.
- “Flat” benefit schedules only
- No more than 25% of employees may be 60 or older.

## Groups of 10–14 eligible employees

- Stand-alone life available.
- Life benefit of \$15,000–\$25,000 (increments of \$5,000).
- Minimum of 25% employer contribution.

- Minimum participation:
  - » 75% if contributory.
  - » 100% if non-contributory.
- Job classification benefits:
  - » Class I = \$25,000.
  - » Class II = \$15,000.
- Salary classifications are not available.

## Groups of 15–24 eligible employees

- Stand-alone life available.
- Life benefit of \$15,000–\$50,000 (increments of \$5,000).
- Minimum of 25% employer contribution.
- Minimum participation:
  - » 75% if contributory.
  - » 100% if non-contributory.
- Job classification benefits (employer selects):
  - » Class I = \$25,000, Class II = \$15,000.
  - » Class I = \$50,000, Class II = \$25,000.
- Salary option benefits:
  - » Group selects 1x or 2x salary.
  - » Group accepts \$50,000 maximum amount.

## Groups of 25–50 eligible employees

- Stand-alone life available.
- Life benefit of \$15,000–\$100,000 (increments of \$5,000).
- Minimum of 25% employer contribution.
- Minimum participation:
  - » 75% if contributory.
  - » 100% if non-contributory.
- No more than 50% of the total amount of basic term life volume can be on the five employees with the highest amount of volume.
- Job classification benefits (employer selects):
  - » Class I = \$25,000, Class II = \$15,000.
  - » Class I = \$50,000, Class II = \$25,000.
  - » Class I = \$100,000, Class II = \$50,000.
- Salary option benefits:
  - » Group selects either 1x, 1.5x or 2x salary.
  - » Group selects \$50,000 or \$100,000 maximum amount.