
Guaranteed Standard Issue (GSI) Program Frequently asked Questions

Q. Can a preferred rating be obtained for employees eligible for a GSI offer?

- A. All qualified employees are required to go through full medical underwriting when they choose benefit amounts above the GSI offer. They are only eligible for preferred rates if they choose at least an additional \$1000 monthly benefit amount, upgrade home care or benefit duration. Let's say, for example, we are willing to offer a \$4500 monthly benefit amount, 6 year duration and 100% Professional Home Care. In this case, in order to be eligible for preferred rates, the applicant must either choose at least \$5500/month, Lifetime or 100% Total Home Care. Preferred rates are not available for changes in elimination period or inflation. When applying for the Advantage Plus contract series, these rules apply to the 10% preferred application discount as well.

GSI offerings present an increased risk of acquiring potentially substandard or declinable applicants. We also assume we will be taking on some preferred risk while at the same time saving money on underwriting costs. If we begin offering 20% discounts for healthy individuals while generating little additional premium and incurring higher underwriting costs, our profit targets would be significantly impaired.

Q. What questions do employees have to answer on the application?

- A. Employees applying for or within the GSI coverage do not need to answer the medical questions. Employees applying for more than the GSI coverage need to complete the application entirely.

When using the old applications, sections 4c, 4d and all of section 5 can be skipped. When using the new 2001 applications (where approved), the entire medical profile section can be removed.

All state requirements still apply, including the authorization, third party designation, acknowledgement sections and the conditional receipt. The conditional receipt is required even if the coverage is paid by the employer.

Q. Do spouses and family members get the billing discount?

- A. Spouses and family members (adult children and parents) qualify for a 5% billing discount.

Spouses and family members do not qualify for the GSI program. They can apply for coverage but they do not count towards participation and will be fully medically underwritten.

Q. Do all bills have to be list billed?

A. The employers and individuals can choose from a variety of options. Employer paid cases are list billed for all modes (monthly, quarterly, semi-annual and annual). We do not yet have the capability to support electronic transfers from employers.

Individuals may choose monthly withdrawals from their checking accounts or direct bill on a quarterly, semi-annual or annual basis. We can usually offer some combination of all of the above. These rules apply to spouses and family members as well.

Q. Can we generate separate bills for the employer and employee portions of premium?

A. No. We don't currently have the capability to separate the employer paid portion from the employee paid portion. We generate a list bill to the employer for the full premium amount and they need to manually distinguish between the employer paid base and employee paid buy-up portions.

Q. If an applicant has a birthday after signing the application but before the effective date, will we date to save age?

A. Yes. The date to save age box should be checked in the special requests portion of the application.

Q. Which policy and effective dates should we use?

A. On all GSI cases, we recommend that a policy and effective date be at least one month after the final enrollment. For example, if the enrollment ends 3/31, the policy and effective date should be 5/1. This provides us and the plan administrator enough time to set up payroll deductions and any other administrative duties.

Please keep in mind that we cannot have an effective date prior to the date of application. For example, if an application is signed 5/15, we cannot give a 5/1 effective date.

Q. Where do we send the applications?

A. Once you have reached participation, the applications should be scrubbed for completeness and necessary requirements should be ordered. A copy of the signed offer letter should accompany each application. The routing ticket should indicate if the applicant is an employee, a spouse or a family member.

The applications should be bundled together and sent to the ILTC Large Case unit at B203.