

## Small Group Disclosure Items, Notifications & Acknowledgement



California law requires that the following information be made available to you:

- A Summary Brochure for each carrier that is being applied to by your employees. (Enclosed)
- The sum of the standard risk rates for all small group plan designs offered by the carriers being applied to. (Enclosed)
- Please note, CaliforniaChoice products are always issued at the published, standard rates based on the age, home zip code and dependent status information supplied to us for your employees. However, carriers reserve the right to adjust their employee risk rates for their non-CaliforniaChoice products within a range of plus or minus 20% until July 1, 1996. On and after July 1, 1996 this risk adjustment range may be within a plus or minus 10%.
- Please also note, health information on your employees may be requested by carriers for their non-CaliforniaChoice products to ascertain the risk adjusted rates which are available to you upon request. CaliforniaChoice does not ask any health questions.
- You may request an Evidence of Coverage for each available product offered by any carrier being applied to. The Evidence of Coverage for the product selected by an employee will automatically be mailed directly to that employee by their chosen carrier after coverage has been approved.
- CaliforniaChoice program product rates are guaranteed for a 12 month period from your first effective date. At each 12 month anniversary your group will be offered the prevailing new business rate by each available participating California Choice plan.
- All CaliforniaChoice groups with 2-50 employees who meet the CaliforniaChoice plan's aggregate and common Program participation, contribution and enrollment guidelines will be guaranteed issued through this Program.
- There are no pre-existing medical condition limitations for the Cal Choice 5, 10 and 25 products. Pre-existing condition limitations for the Cal Choice PPO 250, PPO 500, PPO 1000, and PPO 2400 products are as follows:

*Pre-existing conditions are excluded unless continuously insured for six consecutive months. A pre-existing condition is an injury or sickness for which the covered person consulted with a doctor, took medication or received medical care or advice within six months before the enrollment date. Full portability will be given to all original employees and dependents that are currently covered under an employer sponsored plan (whether the prior carrier's plan or another employer sponsored plan).*

*Deductible transfer credit will be given to all employees and dependents covered under the prior carrier's plan on the date of transfer.*

*Portability for new hires: Credit is given for the time a person was covered under a "qualifying prior coverage", provided the person becomes eligible for coverage under this plan within 63 days of termination (exclusive of any affiliation or waiting period) of the prior non-group coverage such as Medicare, Medicaid, an individual plan or conversion coverage.*

*However, if a person's prior coverage ended due to a person's employment ending, the employer sponsored coverage being terminated, or the employer switching carriers, then credit will be given for the time under a "qualifying prior coverage" provided the person becomes eligible for coverage under this plan within 180 days of termination (exclusive of any waiting period) of the prior group coverage, including COBRA recipients.*

- You have the right to apply for any benefit design written, issued or offered by any CaliforniaChoice participating plan at the time of application for a new plan or at the time of renewal of a plan.

**IMPORTANT DISCLOSURE  
ACKNOWLEDGMENT**

Please review, sign and **return this notice to your broker immediately.**

***I hereby acknowledge: a.) receipt of the above described disclosure material and information, b.) that I have also been advised that carriers are obliged to sell to our small group any benefit design it offers to any small group employer and that I have the right to request rates for any such benefit design and c.) that, upon request, my broker will procure rate information and a Summary Brochure on any benefit design offered by any carrier represented or presented by my broker.***

\_\_\_\_\_  
Signature Title

\_\_\_\_\_  
Company Date

**(FOR BROKER FILE)**