WASHINGTON BUSINESS, ASSOCIATION & CHAMBER OF COMMERCE TRUST

BROKER MANUAL

Introduction

The Washington Business, Association and Chamber of Commerce (WBACC) Trust is devoted to the design, distribution and administration of a complete range of insurance and related financial products and services. These include professional and trade organizations, franchise groups and both large and small corporate institutional clients. As your partner in insurance program management, we provide customized benefit programs to suit your clients' needs.

A majority of the WBACC client relationships include a sponsoring organization, such as an Association or Chamber of Commerce. The diversity of need inherent in this membership demands unusual attention to client service, the quality of which is an integral part of the WBACC Trust philosophy.

In Washington State, the WBACC Plans are available to sponsoring Chambers of Commerce and Associations through brokers and agents. As back-up for your sales efforts, the WBACC team is available for:

Personal Claims Administration:

The service personnel at WBACC are available to assist your clients with any claims issues they have been unable to resolve with the carriers.

Simplified Billing:

All benefits in which your clients are enrolled will appear on one monthly statement. Clear instructions are provided for adding or deleting employees and dependents, and, if assistance is required, our Third Party Administrators may be contacted directly – contact information is below.

Paperwork:

Only one enrollment application needs to be completed for all coverages elected. Enrollment forms, billings and adjustments, administrative information, benefit booklets and plan summaries will be mailed directly to your client. Additional supplies may be obtained by calling the marketing department at the number below.

Brokers and Agents:

Brokers and agents must be affiliated with the WBACC and also appointed by our carrier prior to receiving quotes or writing business. Commissions are paid at 5% on groups of 5-99 employees and 2% on groups of 2-4 employees. The following information is required to maintain a current affiliation with the WBACC:

- Current copy of your personal Washington State agent's license
- Current copy of your Errors & Omissions declaration page showing the amounts of coverage (must be a minimum of $1,000,000 per occurrence) and expiration date
- W-9 form
- Current agent/broker profile
- Signed HIPAA business associate agreement

Broker of Record Change:

In order to change the broker of record on a current WBACC group, we must receive a letter from the client requesting the change. The communication must clearly state that you have been appointed the new broker, rescinding all prior broker appointments. The change will always be made on the first of the month following receipt of the letter. Retroactive changes cannot be made.

Letter of Authorization:

In order to receive information regarding a current WBACC group, if you are not the broker of record we will need to receive a request from the group authorizing us to release the information to you. Renewal information will be released to the broker of record first. We will allow several days to ensure that the broker of record has received the information before we release the renewal information to another broker.

Requests for Proposal:

In order to receive a quote, please fax or email your request to the numbers below. We require the following information in order to produce a quote:

- Full name of company
- Address, city & zip code
- Current census
  - Gender
  - Date of birth or age of employee
  - Dependent Status (EE, ES, ESC or EC)
  - Date of birth or age of spouse (if applicable)
- Effective date - If the effective date changes, request an updated quote
- Employer contribution
- Current carrier
- Current and renewal rates
- Summary of benefits
- Industry description/SIC Code
- Group size must be 2 through 99 enrolled employees

If a group is currently covered by Regence/Asuris on another association plan, we will need verification of which sponsoring Chamber of Commerce the group belongs to and that they have been a member for at least 6 months. Please state this on the RFP. We will also need to receive a release letter if you are not the current broker. If you are the current broker, please state that on the RFP.

If a group is currently enrolled on a direct basis with Regence/Asuris, no chamber of commerce membership is required to receive a quote. If you are not the current broker of record, we will need a release letter authorizing us to release the quote to you. Please see Underwriting Guidelines for more information on this subject.

Washington insurance law requires that you be affiliated prior to receiving a quote.
If we have received a quote request for the same group from a different broker within the previous month, we will require a letter of authorization from the group before we can release the rates. This will apply even if you are the current broker of record. Since we have no way of knowing who the broker of record is, we have to enforce a first-come, first-served policy for RFPs.

New Group Enrollment:

New group enrollments in the WBACC Trust plan should be received ***by the 20th of the month prior to the effective date*** to ensure eligibility for a 1st of the month effective date. The following items are required for enrolling a new group:

- Completed WBACC Master Application
- Completed WBACC employee enrollment forms
- Company check for the first month's premium payable to **WBACC Trust**
- Waiver forms – if applicable
- Confirmation of rates sold to group. Final rates are always dependent on the final enrollment. If actual enrollment is different from the quote request, rates may change. Should this happen, we will notify you and await the group's approval before proceeding.

For credit of deductible from the prior group plan, please submit a current Explanation of Benefits for each employee requesting credit.

Waiver of the 3-month pre-existing condition clause (waiting period) applies to all enrollees with comparable prior coverage. The waiting period will be credited month for month as long as there is no more than a 3-month break in coverage.

Renewal Policy:

We have rolling 12 month renewals. Groups with a January 1 effective date will renew the following January, February will renew the following February, etc.

Renewal Process:

All renewal information is sent to the broker. We do not send any renewal rates or other renewal information to the group. It is up to the broker to contact the group regarding the new rates and any benefit changes. The renewal is emailed approximately 60 days prior to the renewal date and is sent as soon as we receive the information from the carrier. The renewal information includes a letter explaining any benefit and administrative changes to the plans, current and renewal rate sheet and master application. A new master application is required on each renewing group. Open enrollment is the month prior to the renewal date.

Coverage Requirements and Selections:

- **Required coverages**
  - Life and AD& D
  - Medical
- **Optional coverages**
  - Dental
  - Vision
  - Prepaid Legal
  - Dependent Life

Life and AD&D benefits:

- A $15,000 Life/AD&D benefit is included with all medical plans.
- Alternative schedules of flat $25,000 and flat $50,000 are available - $50,000 benefit requires 15+ employees
- All amounts are guaranteed issue

Life and AD&D benefits will reduce according to the following schedule and terminate at retirement. Coverage reduces to:

- 65% at age 65
- 50% at age 70
- 30% at age 75
- 20% at age 80

Dependent life insurance is voluntary and available to all enrollees, regardless of number of dependents covered or dependent medical elections:

Spouse	$5,000
Children - Birth to 23 years	$2,000

Underwriting Guidelines:

All groups must maintain membership in a sponsoring Chamber of Commerce or Association. Members of the Greater Seattle Chamber of Commerce are not eligible for enrollment through the WBACC trust unless they also belong to one of our sponsoring chambers of commerce as well.

Groups who currently have direct coverage are not required to have a chamber membership in order for us to quote. Groups through a Regence Trust are only eligible for the WBACC Trust medical plans if they have belonged to an endorsing Chamber of Commerce for at least 6 months. We will need a statement on the RFP verifying which chamber the group belongs to and that they have belonged for at least 6 months. If you are not the current broker of record, we will also need a release letter authorizing us to provide you with a quote.

Groups with 100+ employees will not be quoted.

Partners and sole proprietors are eligible for coverage if they are full-time, active in the business and at least 75% of the owner's income is from the business. An annual tax form is required from groups with 2-4 employees. One of the following tax forms is required:

- IRS Form 1040 with Form 1065 and Schedule K-1 (for partnerships)
- IRS Form 1040 with Schedule F (for farms)
- IRS Form 1120 or 1120S (for corporations)
- For partnerships, if a married couple has filed a joint IRS form 1040 and one spouse has a separate business or occupation from the one applying for coverage, copies of that spouse's W-2, 1099 or business tax return may be required.
- Nonprofit groups that do not file any of the above tax forms may instead submit copies of Washington State Employee Quarterly Tax Form #5208 Parts A and B to verify an employee's work status.

An employer/employee relationship must exist and be verifiable. Employees must be W-2 employees. Independent contractors (1099 employees) are not eligible. Industries that have high turnover or a large percentage of commissioned sales staff are eligible under the following conditions:

- Only salaried management and full-time office staff are eligible
- Commissioned sales people must work a verifiable minimum of 30 hours per week and must be year-round employees working at least 9 months out of the year. They must be W-2 employees. Independent contractors are not eligible.

A group that has had more than 3 carriers in the past 5 years will not be accepted.

Groups with out of state employees must have at least 51% of the employees in the TRG service area which includes Washington, Oregon, Idaho and Utah.

Groups wishing to "class out" a certain category of employees i.e., cover only exempt employees, but not the non-exempt employees, must have at least 10 employees enrolling.

Participation and Contribution Requirements:

- The employer must contribute a minimum of 75% toward the employee premium unless the group is in a restricted industry. Restricted industry employers must contribute 100% toward the employee premium. The list of restricted industries is below.
- At least 75% of eligible employees must enroll. An employee covered under their spouse's insurance need not be considered an eligible employee. A spouse who is covered by another employer's plan need not be considered an eligible dependent.
- The WBACC Trust requires common eligibility on all benefits except for the WD Enhanced PPO B Plan.

Dual Choice - Employers with 10+ employees may offer dual choice plans. There is a dual choice matrix and not all plans may be offered together. The employer must contribute at least 75% of the employee

premium of the plans selected and employees may buy up. There must be a minimum of 2 employees enrolled in each plan. Benefits are provided for pre-existing conditions after the first 3 consecutive months from the enrollee's effective date (applicable only to enrollees without prior coverage). A pre-existing condition is any medical condition, illness or accidental injury for which medical advice or treatment was recommended or received or for which a prudent person would have sought medical advice or treatment from a health care provider in the 3-month period immediately preceding the effective date of coverage.
Waiver of the 3-month pre-existing condition clause (waiting period) applies to all enrollees with comparable prior coverage. The waiting period will be credited month for month as long as there is not more than a 3-month break in coverage. No waivers will be given for transfers from individual programs.

Ineligible Industries:

We cannot quote on groups in the following industries:

1. Public Employers
2. Sovereign Nations
3. Membership Organizations
4. Labor Unions

The above list serves only as a guideline. For questionable groups, contact the Marketing Department.

Restricted Industries:

We can only quote these industries if the employer contribution is 100/0%. For groups of 50 and under, they must have participation of 75% or more, and the current and renewal rates plus a summary of benefits must be included in the RFP. For groups of 51+ Regence requires 2 years of rate, benefit and carrier history and not more than three carriers in the last 5 years.

1. Car Dealers
2. Commission Sales Organizations
3. Hospitals/Clinics
4. Mental Heal Organizations
5. Law Firms
6. Nursing Homes/Rest Homes/Convalescent Centers/Retirement Homes
7. Real Estate Firms – W-2 employees only
8. Restaurants
9. Hotels/Resorts
10. Janitorial Services
11. Security Services
12. Recreation/Fitness Centers
13. Non-Profit Organizations
14. Casinos
15. Theatre/entertainment groups – administrative year-round staff only
16. Service stations – W-2 employees only
17. Trucking companies – W-2 employees only

The carrier reserves the right to decline any group making application to the WBACC Trust or to audit any active group in the trust for discrepancies pertaining to contribution, participation, eligibility or coverage-related data.

WBACC Trust Contact Sheet
Quote Requests

Email: quotes@wbacctrust.com
Fax: 206.812.7556
Website: wbacctrust.com

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Marketing

Trust Supervisor
Trish Sommer
206.812.7546 P   206.812.7556 F
trishs@wbacctrust.com
WBACC Trust
1501 4th Avenue, Suite 2400
Seattle, WA 98101

Administration

Billing & Eligibility

Trusteed Plans Service Corporation
Stephanie Miller
smiller@trusteedplans.com
253.882.0207 P   253.564.5881 F
800.426.9786 X207

Premium Remittance
WBACC Trust
C/O TPSC
PO Box 2990
Tacoma, WA 98401-2990