New Era Life Insurance Company
New Era Life Insurance Company of the Midwest
Philadelphia American Life Insurance Company

MEDICARE SUPPLEMENT UNDERWRITING GUIDELINES

For New Business:

Our goal is to process all applications in an accurate and timely manner. The following guidelines will assist agents in completing applications thoroughly, which will enable Underwriting to process the application as quickly as possible.

This Underwriting Guideline also gives you a guide to follow for condition, health and otherwise, which may not be acceptable. **These guidelines are not all inclusive. There may be conditions that are not listed in this guide that may be unacceptable.** Our telephone interview is an integral part of the underwriting process, and it is required for each application, except for open enrollment and guaranteed issues**.** However, we will conduct a Quality Assurance Phone Call for all open enrollment and guaranteed issue applications received on line.

Special Forms

Special forms are required by many states. These forms are necessary for both the agent and the Home Office to comply with specific state regulations. These forms must be submitted with the applications. Following is a list of forms and the states in which each is required:

- Buyer's Guide for Medicare Supplement - All States
- Replacement Form (If replacing a Medicare Supplement or Medicare Advantage plan) - All States
- Authorization to Obtain or Release Medical Information - All States
- Policy Checklist - Illinois

Authority of Agents

Agents are authorized by the Company to solicit applications, collect initial premiums and deliver policies.

No agent is authorized to determine acceptance of risk, alter policies or in any way waive or modify any of the Company's rights.

Completing the Application

Use of the following checklist will help to eliminate delays and enable us to provide faster underwriting and policy issue time:

- Have all the questions on the application been answered?
- Did I indicate the desired plan and effective date?
- Did I indicate the amount of the application fee?
- Did I collect the correct premium amount?
- Was the applicant's daytime phone number provided?
- Did the applicant personally sign the application and initial the health questions?
- Did I sign the application?
- Did I include my agent code?
- Did I verify the applicant's Medicare claim number?

- Have all the regulatory requirements been satisfied?
    1. Did I leave the applicant a "Guide to Health Insurance For People With Medicare" (Buyer's Guide)
    2. Was the Outline of Coverage provided to the applicant?
    3. If a replacement, was the replacement form completed and the yellow copy left with the applicant?

Basic Underwriting Guidelines

The following are basic guidelines for writing our New Era and Philadelphia American Life's Medicare Supplement products. Please note these are guidelines only.

1. Please provide the applicant with the company's toll free number (800)552-7879. It is also necessary to provide the Home Office with the applicant's phone number on the application.
2. We do not accept any applicant on Medicaid.
3. No policy will be issued to a person who is not covered under Medicare Part A and Part B.
4. Applicants are eligible for a six month open enrollment period as of the first day of the month in which they become age 65 AND they are enrolled Medicare Part B. It is not necessary to answer any medical questions if you qualify for open enrollment.
5. Applicants should be aware that misstatements of medical information and/or tobacco use could result in denial of a claim or rescission of the policy. With the exception of open enrollment and guaranteed issues, all policies are contestable for two (2) years, including replacement policies.
6. We will not accept an application more than ninety (90) days prior to the requested effective date or the date the applicant becomes eligible for Medicare coverage.
7. **We will not accept an agent's check or any third party checks for the initial premium.**
8. Policies may be dated any day of the month except the 29th, 30th, and 31st.
9. We do not backdate applications. We will accept faxed and on line applications. The faxed application must be fully completed and legible. We do not accept applicants who reside outside of the United States. **The company will draft the initial premium plus the application fee on approval on all faxed and on line applications.**
10. Applicants may request a monthly bank draft date other than their paid to date except the 29th, 30th and 31st.
11. Requests for changes in policy effective dates must be submitted in writing by the insured.

Pre-existing Restrictions

Pre-existing restrictions apply ONLY during open enrollment if the applicant does NOT have creditable coverage; therefore, be sure to include the applicant's prior coverage on the application. Pre-existing restrictions apply to the following states:

- Six (6) month pre-existing restriction for Plans C and F only in Pennsylvania, Georgia, Indiana, Iowa and Nebraska
- Six (6) month pre-existing restriction for Plan F only in Utah
- Three (3) month pre-existing restriction for plans C and F only in New Jersey

Guaranteed Issue for Eligible Persons

The following are the most common guidelines for determining applicants who qualify as guaranteed issue in accordance with state and federal regulations. Certain regulations may vary by state. **These guidelines are not all-inclusive**. Guaranteed Issue plans are Plans A, B, C, F, including High Deductible F, if these plans are offered in your state. An eligible person is an individual described in any of the following:

1. The individual is enrolled under an employee welfare benefit plan that provides health benefits that **supplement** Medicare, and the plan terminates, or the plan ceases to provide all supplemental benefits. Documentation with the termination date of the group coverage for the applicant is required.
2. The individual is enrolled under an employee welfare benefit plan that is **primary** to Medicare and the plan terminates or the plan ceases to provide all health benefits because the individual leaves the plan. Documentation with the termination date of the group coverage for the applicant is required.
3. The individual is enrolled in a Medicare Advantage Plan under Part C (MA) and the certification of the organization or plan has been terminated. Documentation is required.
4. The MA plan has discontinued providing the plan in the area in which the individual resides. Documentation is required.
5. The individual moves out of the area serviced by the MA plan. Documentation is required.
6. The individual had a Medicare Supplement policy, terminates that coverage and enrolls for the first time in a MA plan, and decides to disenroll from the plan within the first 12 months. Disenrollment must be verified.
7. An individual, upon first becoming enrolled in Medicare Part B at age 65, enrolls in a MA plan, and decides to disenroll from the plan no later than 12 months after the effective date of enrollment. (In this case, the applicant is eligible for ANY plan we offer in your state.) Disenrollment must be verified.

If an applicant fulfills any of the above guaranteed issue requirements, and they have applied for a Plan A, B, C, F, or High Deductible F, the policy will be guaranteed issue. The Home office will not conduct a telephone interview for applicants who qualify for a guaranteed issued policy.

The following list of illnesses and conditions are unacceptable:

1. Applicants who must use a cane, walker, wheelchair or motorized scooter for ambulation.
2. Individuals who are confined to a skilled nursing facility or hospital.
3. Applicants who have been confined in a hospital two (2) or more times within the last 2 years (unless the confinements are for the same or related conditions.)

4. Individuals who have been advised to have any type of surgery within the last 2 years that has not been performed. For example, knee surgery, hip replacement, cataract surgery, etc.
5. Placement of a pacemaker within the last 12 months.
6. Joint replacement within the last 12 months. All recovery periods are to be measured by the last date of treatment.

If the applicant has a history of and/or treatment within the last five (5) years for:

7. Individuals requiring dialysis or diagnosed with renal failure, kidney disease or has had or needs an organ transplant.
8. Placement of a defibrillator.
9. Internal cancer, leukemia or malignant melanoma. All recovery periods are to be measured by the last date of treatment.
10. Alzheimer's disease, Senile Dementia, Parkinson's Disease, spinal stenosis, any organic brain disorder or neurological disorder, including, but not limited to treatment for seizures.
11. Any Amputations.
12. Heart and vascular conditions including, but not limited to, heart attack, stroke, TIA (series of mini-strokes), coronary artery bypass, angioplasty, coronary insufficiency (unstable angina), congestive heart failure, coronary atherosclerosis, mitral valve disorder, atrial fibrillation, cardiomyopathy, stents, heart palpitations, aortic valve disorder, occlusion and stenosis of the carotid artery, peripheral vascular disease, aneurysm, including abdominal.
13. Chronic respiratory diseases, including, but not limited to, emphysema, asthma, COPD (Chronic Obstructive Pulmonary Disease), RAD (Reactive Airway Disease), pulmonary fibrosis or any respiratory abnormality requiring use of inhalants, nebulizers or any use of oxygen or other respiratory therapy. Any use of tobacco within the last five (5) years in combination with ongoing respiratory disease is a decline.
14. Any ongoing injection therapy.
15. Insulin dependent diabetes. (Byetta and Victoza are accceptable medications)
16. Permanent ostomy bag (colostomy or ileostomy)
17. Lupus
18. Cirrhosis of the liver

Postpones

1. Pending results of any heart catherizations or stress tests within the last five (5) years. All copies of cath reports must be provided to us by the applicant. The company does not request them.
2. Pending minor surgeries or procedures, including but not limited to, cataract surgery, cyst removal, physical therapy, etc. until released by physician.

These underwriting guidelines cover only the more commonly encountered medical conditions. Because it is not possible to list all conditions related to the ones listed above, if you have questions concerning medical conditions not listed in this guideline, please contact our Home Office Senior Market Underwriting Department.

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