



## MEDICARE SUPPLEMENT UNDERWRITING GUIDELINES

### Introduction

The purpose of this document is to assist you in determining eligibility for your clients for a Medicare Supplement policy.

You will find information on how to complete an application and our company policies and procedures to assist in expediting the underwriting process. 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 declinable.** Our telephone interview is an integral part of the underwriting process, and is required for each application.

### Contact Information

New Era Life Insurance Company/Philadelphia American life Insurance Company  
PO Box 4884  
Houston, TX 77210-4884

### Physical address (for Overnight Mail)

11720 Katy Freeway  
Suite 1700  
Houston, TX 77079

### Phone Numbers

New Business (Senior Division)- 1 (800) 552-7879 Ext. 1122  
Marketing- 1 (877) 368-4692  
Fax for Applications- 1 (281) 368-7344  
New Business Fax- 1 (281) 368-7148

## 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.

## Basic Application Guidelines

The following are basic guidelines for writing our Medicare Supplement. Please note: these are only guidelines and are subject to change at any time.

1. We do not accept any applicant on Medicaid.
2. No policy will be issued to an applicant who is not covered under both Medicare Part A and Part B.
3. 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 Issue, all policies are contestable for 2 years, including replacement policies.
4. We will not accept an application more than ninety (90) days prior to the requested effective date, except for Open Enrollment applications. Open Enrollment applications may be sent in any time during the 6 months before the applicant's 65th birthday.
5. We do not backdate policies. Applications should be submitted at least 5 days before the requested effective date.
6. We will accept applications by mail, fax, or E-application, submitted through your secure login at [www.neweralife.com](http://www.neweralife.com).
7. Requests to change policy effective dates must be submitted in writing by the applicant.
8. **Every application will require a telephone interview with the applicant.** Please make sure we have the correct phone number. We will not allow a POA to complete the interview.
9. Applications are considered to be still in underwriting until a policy has been issued to the policyholder. If a condition should arise after the application is taken but before the policy is issued, the applicant should notify the company for further consideration.
10. The applicant has a 30 day free look period. The policy must be mailed back to us with a written request to cancel if they choose not to accept it.
11. The applicant must reside in the United States to get a policy.
12. Faxed or mailed applications must be complete and must be legible to avoid any delays.

## Premium information

1. Please make sure all banking information is filled out correctly on the automatic bank deduction form.
2. All E-applications must be set up for automatic bank deduction.
3. Applicants may request a monthly bank draft date other than their paid to date except the 29<sup>th</sup>, 30<sup>th</sup> and 31<sup>st</sup>. The requested draft date must be within 15 days of the paid-to-date of the policy to avoid unnecessary lapses in coverage.
4. **The company will draft the initial premium plus the application fee upon approval on all applications. Please inform your applicant of this before you submit the application.**
5. There is a \$2.00 administration fee for any monthly direct bill premiums.
6. **We will not accept an agent's check or any third party checks for the premium.**

## 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:

- Replacement Form (If replacing a Med Supp or MA plan) - All States
- Authorization to Obtain or Release Medical Information - All States
- Policy Checklist - Illinois

## Tobacco Usage

If the applicant has used any form of tobacco in the last 5 years they will be given tobacco user rates.

**The following list of illnesses and conditions are declinable (any "yes" answers to health questions may result in a declined application):**

1. Applicants who must use a walker, wheelchair or motorized scooter for ambulation. Cane usage might be acceptable depending on circumstances
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, including a pending biopsy. For example, knee surgery, hip replacement, cataract surgery, prostate biopsy, etc.
5. Placement of a pacemaker within the last 12 months.
6. Joint replacement was done within the last 12 months or has been discussed with doctor in past 24 months but not yet done.

**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. Any form of cancer (except basal cell and squamous cell skin cancer), leukemia or malignant melanoma.
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 (any type including abdominal).
13. If a heart cath was done in the past five years we will require a copy of the results before we can make an underwriting decision (at the applicant's expense if there is a fee).
14. 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 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 an automatic decline. C-pap machine for sleep apnea is ok as long as bottled oxygen or concentrator is not used with it. Seasonal asthma/allergies may be acceptable depending on circumstances.
15. Any ongoing injection therapy.
16. Insulin use (Byetta and Victoza are acceptable medications).
17. Permanent ostomy bag (colostomy or ileostomy).
18. Lupus.
19. Cirrhosis of the liver.

**For E-application Instructions please click the link on the website titled "Med Supp E-application Instructions." Please read all instructions before submitting your first Medicare Supplement E-application.**

## 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.

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## Declines and Appeals

Any applicant wishing to know the reason for their declined application may request the information by sending in a written request to our Underwriting Department. They may also send in a written request to appeal our decision along with any supporting medical records.

**These guidelines are not all inclusive. There may be conditions that are not listed in this guide that are declinable. Please contact our Underwriting department if you have additional questions or specific health scenarios to go over.**