
Write your SBSB Member Number here
for easy reference

Member Insurance Guide





Welcome to SBSB

Thank you for joining the Small Business Service Bureau, Inc. (SBSB). You and over 50,000 other small business owners across the nation are taking advantage of the group buying power, management assistance and legislative information and advocacy that SBSB provides to members.

This *Member Insurance Guide* was created to provide you with SBSB membership information and to guide you in the use of your insurance benefits. It is designed to fit in a standard file to offer convenience in keeping together your insurance Certificate of Coverage and policies, correspondence, other insurance material, and your SBSB membership information.

If you are a member receiving health coverage under the SBSB Insurance Program, ***you are responsible for completing all applications, enrolling new employees, adjusting coverage for existing employees, terminating the coverage of employees who leave your firm, and paying premiums on time.*** This Guide will help you do these things effectively.

To take full advantage of your insurance programs and avoid unnecessary problems, it's important that you understand how we must work together to assure proper coordination of you and your employee's insurance benefits. This *Member Insurance Guide* is designed to assist you in this effort.

As your membership organization, our responsibilities include providing you with a choice of affordable insurance coverage options, collecting and remitting your premiums to carriers in a timely and accurate manner, notifying you of changes in coverage or premiums, and providing you with access to a variety of affordable, innovative high-quality products and services.

By joining together, we can offer affordable group rates on the products and services small businesses need. And, we speak with a united voice in Washington D.C. and state capitals on legislative issues that affect small business issues such as health reform, liability insurance coverage and tax reform. We urge you to be an active member of SBSB. Our Toll Free lines are open for your calls and our experienced staff is available to help you with your questions.

Once again, welcome to SBSB. We value your membership.

Sincerely,

A handwritten signature in blue ink that reads "Francis R. Carroll". The signature is written in a cursive, flowing style.

Francis R. Carroll
CEO and Founder

Table of Contents

About Your Health Plan	1 - 3
• Contacting Member Service	
• Member Compliance with Eligibility	
• Enrollment Guidelines	
• Plan Effective Dates	
• Your Health Plan ID Card	
• Claims	
• Your Coverage Rights	
• Coverage Changes	
• Cancellation of Coverage	
• Avoiding Accidental Cancellation of Insurance	
Billing Information	4
• Annual SBSB Membership Dues	
• Health Insurance Premiums	
Other Insurance For SBSB Members	4 - 5
• Dental Plans	
• Group Disability Insurance	
• Long Term Care	
• Personal Umbrella Liability Insurance	
• Home-Based Business Insurance	
• Group Life Insurance	
• Term Life Insurance	
Additional Membership Advantages	5
• Employer Discounts on Retirement Plans	
• Home Delivery Prescription Drugs	
• Vision Coverage	

About Your Health Plan

This *Member Insurance Guide* serves as a one-stop reference for valuable information about your SBSB membership, your current coverage and other insurance available to you through SBSB. It provides only general information about your insurance and SBSB administrative guidelines. Specific details outlining the benefits, limitations and exclusions of your insurance are contained in the Member Handbook, Evidence of Coverage or policy issued to you by the carriers. The person responsible for paying premiums and administering benefits should review this Guide and keep it in a convenient location for quick reference.

Once your coverage becomes effective, all administrative activities such as remittance of payments to your carrier, forwarding enrollment applications, renewal activities and a variety of other membership services will be handled by SBSB.

■ **Contacting Member Service**

SBSB staff is available to assist you with problems or questions regarding your SBSB membership, health coverage, or other benefits. The Member Service staff can also help members expand coverage, review coverage, or make coverage adjustments. Contact Member Service as

soon as you are aware of an impending change. Toll-Free lines are open from 8:30 a.m. to 5:00 p.m. (EST) Monday through Friday, except holidays. Call 1-800-472-7199.

■ **Eligibility**

Partnerships, proprietorships, corporations, self-employed people and their actively working, full-time employees may apply for available health coverage, insurance benefits and other services through membership in SBSB.

As long as you are a member in good standing or an eligible employee of an SBSB member firm, you may apply for health coverage under the SBSB Insurance Program offered in your area. Proof of continuing eligibility may be required from time to time.

■ **Member Compliance With Eligibility**

It is the individual's responsibility to accurately complete forms relating to SBSB membership and health insurance coverage and eligibility requirements. A carrier may deny or cancel coverage if forms are not accurately completed. By signing the application and/or enrollment forms, you verify that the information you have provided is correct and current.

For more information, call toll free 1-800-343-0939.

Upon request, you may be asked to supply payroll information, tax returns and/or selected schedules, or other records documenting compliance with the carrier's underwriting, eligibility, or participation standards. Failure to provide these documents when your carrier requests them may result in cancellation of your coverage. In addition, the carrier may take action against any person or employer who obtains benefits on the basis of false information.

Both the state and federal governments have enacted laws which impose obligations on employers providing employee benefit plans. Compliance with these laws is an employer obligation. Neither SBSB nor the health benefits provider can assume this duty for you.

To determine the effects of the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), Employee Retirement Income Security Act of 1974 (ERISA), Age Discrimination in Employment Act (ADEA) and state laws in your particular case, consult your legal or accounting professional or your State Insurance Department for information.

■ **Enrollment Guidelines**

SBSB members and their actively working, full-time employees (and in some cases part-time employees) may apply for health insurance currently available through SBSB. Each health plan applicant must complete a separate application form based on carrier requirements. Contact the SBSB Member Service Department Toll Free for information on coverage available in your area.

It is the individual's responsibility to accurately complete all forms related to eligibility requirements for health, dental, group term life, accidental death and dismemberment insurance and other insurance coverage.

If you are enrolling a group, please verify employee eligibility. Insurance carriers, and state and federal governments have group enrollment requirements. For example, an active, full-time employee is usually defined as working 30 hours per week. Individual insurance carriers provide their own definitions for eligibility as well. For each carrier's definition of an eligible employee, contact the SBSB Member Service Department.

The Plans may deny or delay coverage if forms are not accurately completed. By signing the application and/or enrollment forms, you verify that the information you have provided is correct and current.

■ **Plan Effective Dates**

Only a health plan or carrier can confirm the effective date of your coverage. Protect yourself by keeping all existing policies effective until you have received written notice of coverage under your SBSB-sponsored Plan.

Remember, do not assume your coverage is in force until you receive notice of coverage from the health plan or carrier.

■ **Health Plan Identification Card**

Identification cards issued by your health care provider will arrive seven to fourteen business days after the carrier has processed your application. If you have selected HMO coverage, you will receive your handbook and I.D. card directly from the plan. In the case of Blue Cross and Blue Shield coverage, either SBSB or the Plan will forward information to you. Keep this vital information, including copies of your I.D. cards, in this folder for future reference.

Save a copy of your health plan or carrier's application and/or enrollment form until you receive your I.D. card. Upon acceptance by many plans, this copy will serve as your temporary I.D. card. If that is not the case and you need health care between the time your coverage becomes effective and the time you receive your I.D. card, please call the physician or primary care provider who is contracted with the health plan or carrier you have chosen.

■ **Claims**

The details of your coverage and the conditions under which claims will be paid or rejected by the Plan are printed in the Member Handbook, Evidence of Coverage or policy provided by your carrier. Please read it carefully and keep it with this Guide for future reference.

Do not send any claim forms to SBSB. SBSB does not determine or approve the payment of individual claims. These decisions are made by the carrier you have selected, in accordance with the terms in the Certificate of Coverage or policy. Please refer to your Member Handbook, Evidence of Coverage or policy for instructions on where to send claim forms. If, after contacting your plan, you continue to have a problem with a claim, the SBSB Member Service Department will be happy to assist you.

■ **Your Coverage Rights**

The Health Insurance Portability and Accountability Act (HIPAA) includes the following provisions:

- Limiting exclusions for preexisting medical conditions;
- Providing credit against maximum preexisting condition exclusion periods for prior health coverage and a process for providing certificates showing periods of prior coverage to a new group health plan or health insurance issuer;
- Providing new rights that allow individuals to enroll for health coverage when they lose other health coverage, get married or add a new dependent;
- Prohibiting discrimination in enrollment and in premiums charged to employees and their dependents based on health status-related factors;
- Guaranteeing availability of health insurance coverage for small employers and renewability of

health insurance coverage for both small and large employers;

- Preserving the states' role in regulating health insurance, including the states' authority to provide greater protections than those available under federal law;
- Improving disclosure about group health plans.

In addition, the Newborns' and Mothers' Health Protection Act requires group health plans that offer maternity coverage to pay for at least a 48-hour hospital stay following childbirth (96-hours for a Caesarian section).

Other legislation – The Mental Health Parity Act – mandates that coverage for mental health, when provided, must be the same as other medical/surgical coverage with respect to annual and lifetime dollar limits.

■ Coverage Changes

Adding Employees

Rules about adding new employees are established by your plan. Not all plans allow additions throughout the year. There may be certain time limits that apply when requesting effective dates of coverage for new employees. This is known as a probationary period.

SBSB Member Service representatives are available to guide you through the enrollment process. They can assist you in applying for the coverage you need. Please call the SBSB Member Service Department as soon as a new employee is hired.

Removing Employees

To remove employees from your plan, refer to the procedures under the Cancellation of Coverage, "Voluntary Cancellation" section.

Address Changes

It is imperative that SBSB have your current and accurate business and home addresses to mail your billing and group benefits information. Please notify us in writing of any address changes.* Moving out of state may make you ineligible for your current health plan. Notify SBSB immediately of an upcoming move so we can assist you with finding alternative coverage options.

Coverage Adjustments

To provide you with necessary protection, please notify SBSB in writing, and as soon as possible, of any changes regarding coverage adjustments (marriage, divorce, birth of a child, child's attainment of age 19, status as a full-time student, attainment of age 65, etc.). If the coverage adjustment requires the addition of a new employee or dependent to the plan, SBSB will send you the appropriate enrollment forms to complete.

Please note: Some plans have specific time limits that apply when making a request for a coverage change. Notifying the Plan directly of coverage changes

**In turn, SBSB will forward all changes to the carrier.*

will cause delay and possible errors in implementing changes. Be sure to notify SBSB, not the Plan immediately following the date of a change. Group coverage will also end if the employer fails to pay the required premium and administration fee for employees before the due date shown on the invoice.

■ Cancellation of Coverage

There are two ways your coverage may be canceled: voluntarily and involuntarily.

Voluntary Cancellation

You may cancel your health benefits without charge or penalty at the beginning of each month by providing SBSB with written notice in advance of the cancellation date. For your protection, only written requests for cancellation can be processed. Once SBSB has your letter requesting cancellation or removal of an employee, it will be processed promptly. Cancellations are generally effective on the first of the month following the request for cancellation. Please check your plan documents or call SBSB Member Service for assistance.

Involuntary Cancellation

Group coverage will automatically end if: (1) your annual SBSB membership dues are not paid, or (2) the employer fails to pay the required premium and administrative fee before the due date shown on the invoice, (3) the master group contract between SBSB and the health benefits provider is canceled.

Employee coverage will cease if: (1) when employees are no longer eligible or the owner/operator, (2) you or your employer fail to pay the required premium and administrative fee before the due date shown on the invoice, (3) you and/or your employer do not provide accurate information when requested by the plan, (4) for reasons given in the plan Member Handbook, Evidence of Coverage or policy, or (5) fraudulent misrepresentation in your insurance application.

Dependent coverage will end if: (1) the employee and/or group coverage is canceled for any of the above reasons, or (2) the dependent is no longer eligible under the plan's eligibility guidelines.

■ Avoiding Accidental Cancellation of Insurance

Don't jeopardize your coverage by late payment. As an SBSB member, your coverage may be classified as **group insurance**. This means that unlike individual coverage, there **may be no grace period for payment**. Your premium must accompany the payment which SBSB submits on behalf of our group to the plan or you may face cancellation of your coverage.

If you are canceled, it is very difficult to reinstate your coverage. **Many plans do not allow reinstatement;** others allow only one reinstatement per year.

To avoid unintended cancellation of your coverage, remit your premium with the invoice by the due date.

For more information, call toll free 1-800-343-0939.

Billing Information

■ Annual SBSB Membership Dues

SBSB membership dues are paid annually by the small business member. This payment **entitles members and their employees** to apply for participation in the exclusive SBSB Insurance Program and to receive other benefits and services offered by SBSB. These include legislative advocacy and information, SBSB Profit Plus™ management benefits, expertly written small business publications and more. Annual dues are tax deductible as a business expense and are not refundable.

■ Health Insurance Premiums

Health insurance premiums are determined by your health plan or carrier, and are filed with the Department of Insurance in your state. The premium amount is based on the specific plan's method of rate calculation. Premium rates are submitted to, and approved by, the State Insurance Commissioner.

Included with most health premium rates is an SBSB administrative fee. This fee is an aggregate fee that takes into consideration the cost of processing applications, determining eligibility, sending invoices, collecting and remitting premiums, and conducting vital liaison work with health plans and carriers. The administrative fee varies by state and plan.

Please pay the amount that is billed to you. In the event that an employee's status changes, please notify SBSB in advance of the effective date so that the premium amount can be adjusted.

To properly credit your account, please write your SBSB membership account number on your check and return the remittance portion of your invoice with your payment. Your account number appears on your SBSB invoice. A standard charge will be imposed for any check returned due to insufficient funds.

Employer's note for companies in which each employee pays his/her own premiums:

This practice may affect reinstatement privileges for the entire group. To avoid the risk of coverage cancellation, it may be in your firm's best interest to collect employee's premiums and pay the premiums of the firm in a lump sum, rather than remit separately to SBSB.

To avoid risk of coverage cancellation, it is imperative that you pay your premium to SBSB by the due date indicated on your invoice. A late fee may be imposed for premiums not received by the due date.

Quarterly Billing

For your convenience, SBSB collects health premiums on a quarterly basis. This provides uninterrupted periods of coverage while limiting administrative costs and eliminating excess billing. SBSB invoices are issued 35-40 days prior to the start of the quarter and indicate the period covered and the due date.

Since most health plans and carriers do not allow grace periods or reinstatement privileges, late payments may result in cancellation of your coverage. Some plans will not reinstate canceled groups for any reason.

Monthly Billing

Monthly billing is available. However, because this requires increased administration, an additional fee is charged per bill. Since this is a per company charge, the employer must sign a monthly billing agreement. Should you select the monthly billing option, SBSB must receive your payment 10 days prior to the first of the month. **Most Plans do not allow grace periods or reinstatement privileges;** late payments may result in cancellation of your coverage.

Other Insurance For SBSB Members

■ Dental Plans

Compliment your health coverage with an affordable dental plan. SBSB provides rate quotations and benefit information over the phone. Plans are available for sole proprietors and groups of two or more.

SBSB offers:

- Nationally recognized, top rated dental plans, including CIGNA Dental, Delta Dental and Dental Benefit Providers, Inc.
- A wide array of plan options from comprehensive to minimum benefit plans.
- Personalized member service. A representative will be happy to assist you in choosing a dental plan suited to your needs.

■ Group Disability Insurance – Protecting Your Personal Income

For Sole Proprietors and Small Business Groups

SBSB offers short term and long term disability plans suited to individual business owners and groups of two or more. They feature flexible plan design, affordable coverage, guaranteed premium levels, higher benefits for severe disabilities, and benefits proportional to actual loss and coverage portability. The plans offer simplified plan administration, rate guarantees and guaranteed renewability.

SBSB can help you determine eligibility and advise you about the best way to protect your income in the event of disability.

■ **Protection against the High Cost of Long Term Care**

Long Term Care Insurance Preserves Your Independence and Retirement Security

It's a fact that six out of ten Americans will use long term care. Nursing homes are prohibitively expensive, up to \$300 per day or more, and quickly invade hard earned principal. You could be forced to sell your liquid assets, including real estate, to pay bills for care.

Now you can protect yourself and loved ones from the financial burden and lifestyle restrictions of long term care. SBSB has the right insurance coverage for your peace of mind. Preserve your independence and retirement assets.

SBSB's over-the-phone telequoting makes the application process easy for you.

■ **Personal Umbrella Liability Insurance**

Personal Umbrella Liability Insurance through SBSB is one of the few stand-alone umbrella insurance products on the market today. Personal umbrella liability coverage provides a higher dollar limit of coverage than automobile and homeowner's policies and fits the supplemental coverage needs of many small business owners.

■ **Full Range of Business Insurance Including Coverage For Home-Based Businesses**

SBSB's In-Home Business Insurance Program is comprehensive liability and property protection for your

business, that covers damage to inventory, medical payments to those injured on your premises, and destruction of business assets caused by theft and accidents.

■ **Group Life Insurance**

- Group life insurance through The Hartford Life and Accident Insurance Company is available to SBSB members enrolling in most health plans. No medical questions asked, no tests required. It's issued right along with your health coverage.
- Designed as supplemental insurance, coverage amounts are \$5000, \$15,000 or an amount equal to one times your salary, up to \$50,000.
- Offer extends to all new employees you add in the future as well.

■ **Term Life Coverage**

- The best low cost way to protect your family, your business and your present and future financial security.
- SBSB provides free, convenient level term life insurance quotes over the phone for larger coverage amounts from \$100,000 to \$5 million.
- Competitively priced, high quality protection.
- Convertible to an individual, single-life, permanent plan of life insurance at the stated amount without proof of insurability.

Additional SBSB Membership Advantages

■ **Employer Discounts on Retirement Plans**

SBSB members are eligible for a free feasibility analysis and Preferred Pricing on Profit Sharing, 401(k), Money Purchase Plans, and Administration of Retirement Plans and Cafeteria Plans.

Some traditional retirement plan administrators charge as much as \$2,000 to administer retirement savings plans. As an SBSB member you don't have to pay these high fees to get account flexibility. Now you can move your money between funds, check your valuation and balances daily on-line or with one convenient Toll Free call. As a member you are entitled to deep discounts on recordkeeping for your retirement plans. You save hundreds of dollars. Not only is our service affordable, but we free you from the time-consuming requirements of 401(k), pension plan and investment compliance.

■ **Express Home Delivery Prescription Drug Program**

For a low annual fee, SBSB members enjoy the convenience of mail order prescription drugs delivered right to your home. This program is especially well suited to maintenance prescriptions for long term medication (heart conditions, high blood pressure, diabetes, etc.).

You can order up to a 90-day supply of both generic and brand name prescriptions for yourself and your family.

■ **An Outstanding Vision Program**

In addition to the vision care provisions of your individual health plan, SBSB has an excellent discount program for vision products and services through one of the nation's largest and oldest participating provider organizations.

You'll receive instant discounts on top-quality vision services. These include exams, eyeglass lenses, a wide selection of frames, and contact lenses. ■

For more information, call toll free 1-800-343-0939.

The Small Business Service Bureau, Inc. (SBSB)
is a national small business organization with over 50,000 members.
SBSB's low annual dues allow small business owners
and self-employed individuals to take advantage of
money-saving benefits and services,
low cost insurance programs, and
SBSB's Legislative activities.

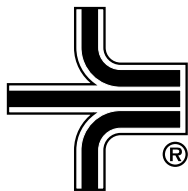
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The VOICE of American Small Business



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