

ADMINISTRATION *continued*

Q. Can a CSD replace a rider or rating on an existing policy?

- A. No. At this time, we will not replace existing riders, ratings or other underwriting actions with CSDs.

Q. Can a CSD be considered for a person who is added to a policy?

- A. No. We will not offer a CSD when a dependent or spouse is added to a policy if CSDs were not available at the time of original issue.

Q. Can changes be made to an HSA-qualified plan with CSDs?

- A. Yes, but the total out-of-pocket expense (CSD + plan deductible + other out-of-pocket) cannot exceed the HSA out-of-pocket maximum limits for the plan to retain HSA qualified status.

CLAIMS AND BENEFITS

Q. Do provider discounts apply to claims for the CSD condition?

- A. Yes. Provider discounts apply to all eligible claims related to the CSD condition.

Q. How are claims related to a CSD condition processed?

- A. Covered charges related to the CSD will first be applied to the condition-specific deductible. After the CSD has been met, covered charges are subject to regular policy provisions including deductibles and coinsurance.

Q. How are prescription expenses related to a CSD condition processed?

- A. For One Deductible and HSA plans, prescription expenses related to the CSD condition will be applied to the CSD. After the CSD has been met, regular policy provisions, including deductibles and coinsurance, will apply. For other plans with drug cards, prescription expenses will be applied to the plan drug card deductible, copays and coinsurance.

Q. Who can my client call with benefit or claims questions?

- A. Clients may call the Customer Service number shown on the Plan ID Card.

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Form 29040 (Rev. 5/2007)



ASSURANT
Health

Condition-Specific Deductibles (CSDs) for Individual Medical Insurance

CSD Q&A

GENERAL INFORMATION

Q. What is a Condition-Specific Deductible (CSD)?

- A. A condition-specific deductible is similar to the plan deductible. It is a separate annual deductible, added during the underwriting process because of a medical condition that would normally cause a policy to be ridered.

Q. What advantages does a CSD have over exception riders?

- A. The policyholder:
- Knows potential out-of-pocket expenses
 - Receives the advantage of Assurant Health's provider discounts for services otherwise excluded
 - Has coverage for conditions that other companies could exclude.

Q. How can a CSD be an advantage when it comes to Out-Of-Pocket (OOP) expenses?

- A. With condition-specific deductibles, the maximum OOP expense for covered charges is a known, limited amount, which means an insured is better equipped to plan for those expenses. With an exception rider, the potential OOP expense is an unknown, unlimited amount.

Q. Are conditions that are currently ridered also considered for CSDs?

- A. Many, but not all conditions that are currently ridered are also considered for CSD.

continued

CSD AVAILABILITY

Q. In which states are Condition-Specific Deductibles available?

- A. CSDs are available in all states where individual medical plans are sold except: CA, CT, GA, ID, MN, NH and OR.

Q. Can a CSD be offered with any individual medical plan?

- A. CSDs will be considered during underwriting for all currently-marketed individual medical plans except the RightStart HSA and SaveRight HSA plans.

Q. Can a CSD be offered with an HSA-qualified plan?

- A. Yes, but the total out-of-pocket expense (CSD + plan deductible + other out-of-pocket) cannot exceed the HSA out-of-pocket maximum limits for the plan to retain its HSA qualified status.
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UNDERWRITING GUIDELINES

Q. Are CSD guidelines available in the Field Underwriting Guide?

- A. Yes.

Q. What is the dollar range for Condition-Specific Deductibles?

- A. A CSD can be as low as \$200. A large percentage of CSDs fall in the range of \$3,000 to \$15,000. The amount will vary based on the condition and medical history. Remember, CSDs in any amount offer the potential for benefits where exception riders don't.

Q. Can a policy be issued with more than one CSD?

- A. Yes. Each individual on the policy could have one or more CSDs. However, on HSA plans, adding more than one CSD may not be an option since HSAs are subject to the HSA out-of-pocket maximum limits.
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UNDERWRITING GUIDELINES *continued*

Q. Can an applicant receive a CSD and an exception rider?

- A. Yes. An applicant can receive a CSD for one condition and an exception rider for a different condition.

Q. Can an applicant choose between a rider and a CSD?

- A. Based on medical history and underwriting guidelines, Underwriting makes the decision to add a rider or a CSD during the underwriting process. A rider can be requested as an alternative to a CSD offering.

Q. In some cases, would an applicant who would otherwise be ridered receive an offer with a CSD?

- A. Yes.
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ADMINISTRATION

Q. How is an applicant notified that a CSD has been added?

- A. A CSD is added during the underwriting process, and it becomes part of the counteroffer presented to the agent. The applicant must sign and return the CSD endorsement to the Home Office to signify acceptance.

Q. Is a CSD offer the same as an offer with an exception rider?

- A. No. In addition to the CSD effective/review dates, amount and condition, the CSD offer contains general information about CSDs. To fully understand the details of the CSD, you must also review the Condition-Specific Deductible language on the endorsement.

Q. Can a CSD be removed from the policy?

- A. Yes. Similar to an exception rider, the insured can submit a supplemental application/enrollment form to request a review for possible removal after the review date indicated on the CSD endorsement.
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