CENTRAL STATES INDEMNITY AND CSI LIFE INSURANCE COMPANY

AGENT UNDERWRITING GUIDELINES FOR MEDICARE SUPPLEMENT

Contact Phone Numbers:

Agent Licensing & Supplies: 1-800-321-0102

Marketing Support: 1-866-644-3988

Claims, Underwriting, Cust. Svc., & Commissions: 1-855-664-5517

Agent Portal Website: www.csimedsupp.com

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IMPORTANT CONTACT INFORMATION:

New Business Mailing address:

CSI
Medicare Supplement Administration
P.O. Box 10816
Clearwater, FL 33757-8816

Overnight Address (FOR USE ON OVERNIGHT MAIL ONLY)
CSI
17757 US HWY 19 N
Suite 660
Clearwater FL 33764

Call **1-855-664-5517** for **Claims, Underwriting, Customer Service and Commissions.**

Underwriting Fax #	855-255-8653
New Business Fax#	855-304-2855
Website	www.csimedsupp.com

CSI

Marketing Support 1-866-644-3988
Agent Licensing 1-800-321-0102

Marketing Support Fax # 678-483-8514
Agent Licensing Fax # 678-483-8513

For faster service you may fax your supply order to:
Supplies Fax # 866-888-1330

INTRODUCTION

This guide provides information about the evaluation process used in underwriting and issuing CSI's Medicare Supplement insurance policies. The goal of CSI is to issue insurance policies as quickly and efficiently as possible while assuring proper evaluation of each risk. To accomplish this goal, writing agents will be notified via the agent portal to advise him/her of any problem(s) with an application. All policies and procedures are as of the revision date listed on the front cover and are subject to change.

POLICY ISSUE GUIDELINES

Policy issue is state specific. The applicant's state of residence controls the application, forms, premium and policy issue. If an applicant has more than one residence, the state where taxes are filed should be considered as the state of residence.

Open Enrollment

To be eligible for open enrollment, an applicant must be at least 64 ½ years of age (in most states) and apply for a Medicare supplement policy within six months of his/her first-time enrollment in Medicare Part B.

Applicants covered under Medicare Part B prior to age 65 are eligible for a six-month open enrollment period upon reaching age 65.

Missouri – Individuals that terminate a Medicare supplement policy within 30 days of the annual policy anniversary date may obtain the same plan on a guarantee issue basis from any issuer that offers that plan. Please include documentation verifying the Plan information, paid-to-date and the policy anniversary of the current coverage.

Selective Issue

Applicants over the age of 65 and at least six months beyond enrollment in Medicare Part B will be medically underwritten (unless applying in a guarantee issue period). All health questions must be answered. The answers to the health questions on the application will determine the eligibility for coverage. If one or more health questions 1-12 are answered "Yes," the applicant is not eligible for coverage. If one or more health questions 13-16 are answered "Yes", the applicant may be eligible for coverage. An explanation should be provided for any "Yes" answers for questions 13-16. Prescription drug information will be evaluated to determine if the health questions were answered correctly. Both the drugs listed on the application and any prescription drug information returned from the prescription drug screen will be used to verify eligibility.

In addition to the health questions, the applicant's height and weight will be taken into consideration when determining eligibility for coverage. Coverage will be declined for those applicants who are outside the established height and weight guidelines.

Eligibility

To determine if the applicant is eligible for coverage, locate the applicant's height, then weight (in pounds) in the chart below. If the applicant's weight is in the Decline column, they are not eligible for coverage at this time. If their weight is located in the Issue column, you may continue with the application.

	Decline	**Issue**	**Decline**
Height	Weight	Weight	Weight
4' 2"	< 54	54 – 145	146 +
4' 3"	< 56	56 – 151	152 +
4' 4"	< 58	58 – 157	158 +
4' 5"	< 60	60 – 163	164 +
4' 6"	< 63	63 – 170	171 +
4' 7"	< 65	65 – 176	177 +
4' 8"	< 67	67 – 182	183 +
4' 9"	< 70	70 – 189	190 +
4' 10"	< 72	72 – 196	197 +
4' 11"	< 75	75 – 202	203 +
5' 0"	< 77	77 – 209	210 +
5' 1"	< 80	80 – 216	217 +
5' 2"	< 83	83 – 224	225 +
5' 3"	< 85	85 – 231	232 +
5' 4"	< 88	88 – 238	239 +
5' 5"	< 91	91 – 246	247 +
5' 6"	< 93	93 – 254	255 +
5' 7"	< 96	96 – 261	262 +
5' 8"	< 99	99 – 269	270 +
5' 9"	< 102	102 – 277	278 +
5' 10"	< 105	105 – 285	286 +
5' 11"	< 108	108 – 293	294 +
6' 0"	< 111	111 – 302	303 +
6' 1"	< 114	114 – 310	311 +
6' 2"	< 117	117 – 319	320 +
6' 3"	< 121	121 – 328	329 +
6' 4"	< 124	124 – 336	337 +
6' 5"	< 127	127 – 345	346 +
6' 6"	< 130	130 – 354	355 +
6' 7"	< 134	134 – 363	364 +
6' 8"	< 137	137 – 373	374 +
6' 9"	< 140	140 – 382	383 +
6' 10"	< 144	144 – 392	393 +
6' 11"	< 147	147 – 401	402 +
7' 0"	< 151	151 – 411	412 +
7' 1"	< 155	155 – 421	422 +
7' 2"	< 158	158 – 431	432 +
7' 3"	< 162	162 – 441	442 +
7' 4"	< 166	166 – 451	452 +

Application Sign Dates

- Open Enrollment – Up to six months prior to the month the applicant turns age 65.
- Wisconsin – Applications can be signed no more than 90 days prior to the applicant's Medicare Part B eligibility date.
- Underwritten Cases – Up to 60 days prior to the requested coverage effective date.

Coverage Effective Dates

Coverage will be made effective as indicated below:

The effective date of the insurance can be between the 1st and the 28th day of the month. Applications written for an effective date of the 29th, 30th, or 31st of the month will be made effective on the 1st of the next month. Applications may not be backdated prior to the application signed date for any reason to save age.

Exception: Applications signed on the 29th, 30th, or 31st of the month may be dated the 28th of the same month upon request.

Replacements

A "replacement" takes place when an applicant wishes to terminate an existing Medicare supplement policy, with another Medicare Supplement plan available, or any other external company and replace with a newer or different Medicare Supplement/Select policy.

Internal replacements with an upgrade in benefits are processed the same as external, requiring a fully completed application with medical underwriting.

To downgrade to a plan with a decrease in benefits, we will require a signed request from the insured. Please note: If an internal replacement originally qualified for guarantee issue, the insured will only be allowed to downgrade to a plan with decreased benefits available under the pertinent guarantee issue rule. Please see Guarantee Issue Rules on pages 7 and 8.

If an applicant wishes to replace a Medicare Supplement issued by Central States Indemnity or CSI Life, a fully completed application with medical underwriting will be required regardless of the change in benefits.

A policyowner wanting to apply for a non-tobacco plan must complete a new application and qualify for coverage.

The policy to be replaced must be in force on the date of replacement. All replacements involving a Medicare Supplement, Medicare Select, Medicare Advantage or Medicare Cost/HMO plan must include a completed Replacement Notice. One copy is to be left with the applicant; one copy should accompany the application.

Please Note: The state specific policy fee is required when changing from Central States Indemnity to CSI Life.

Reinstatements

When a Medicare Supplement policy has lapsed and it is within 90 days of the last paid to date, coverage may be reinstated, based upon meeting the underwriting requirements.

When a Medicare Supplement policy has lapsed and it is more than 90 days beyond the last paid to date, the coverage cannot be reinstated. The client may, however, apply for new coverage. All underwriting requirements must be met before a new policy can be issued.

Telephone Interviews

Random telephone interviews with applicants will be conducted on underwritten cases. Please be sure to advise your clients that we may be calling to verify the information on their application.

Pharmaceutical Information

We have implemented a process to support the collection of pharmaceutical information for underwritten Medicare Supplement applications. In order to obtain the pharmaceutical information as requested, the Authorization and Certification page of the application must be completed and signed by the applicant. Prescription information noted on the application will be compared to the additional pharmaceutical information received. Pharmaceutical information obtained from the prescription drug screen cannot be used solely as a reason to decline an application. This information would be verified with either the applicant or a physician before being used as a reason to decline an application.

Policy Delivery Receipt

Delivery receipts are required on all policies issued in Kentucky, Louisiana, Nebraska, South Dakota, and West Virginia.

Two copies of the delivery receipt will be included in the policy package. One copy is to be left with the client. The second copy must be returned to the Company in the postage paid envelope, which is also included in the policy package.

Guarantee Issue Rules

The rules listed below can also be found in the Guide to Health Insurance. These are the Federal requirements. We offer plans A, B, C, or F (if available) on a guarantee issue basis.

Leaving an employer group voluntarily does not always create applicant eligibility for guarantee issue. In this situation, state laws may vary.

Guarantee Issue Situation	Client has the right to buy. . .
Client is in the original Medicare Plan and has an employer group health plan (including retiree or COBRA coverage) or union coverage that pays after Medicare pays. That coverage is ending. **Note: In this situation, state laws may vary.**	Medigap Plan A, B, C, F, K or L that is sold in client's state by any insurance company. If client has COBRA coverage, client can either buy a Medigap policy right away or wait until the COBRA coverage ends.
Client is in the original Medicare Plan and has a Medicare SELECT policy. Client moves out of the Medicare SELECT plan's service area. Client can keep your Medigap policy or he/she may want to switch to another Medigap policy.	Medigap Plan A, B, C, F, K or L that is sold by any insurance company in client's state or the state he/she is moving to.
Client's Medigap insurance company goes bankrupt and the client looses coverage, or client's Medigap policy coverage otherwise ends through no fault of client.	Medigap Plan A, B, C, F, K or L that is sold in client's state by any insurance company.

MEDICARE ADVANTAGE (MA)

Medicare Advantage (MA) Annual Election Period

General Election Periods for Medicare Advantage (MA)	Timeframe	Allows for…
Annual Election Period (AEP)	Oct. 15th – Dec. 7th of every year	• Enrollment selection for a MA plan • Disenroll from a current MA plan • Enrollment selection for Medicare Part D
Medicare Advantage Disenrollment Period (MADP)	Jan. 1st – Feb 14th of every year	• MA enrollees to disenroll from any MA plan and return to Original Medicare. The MADP does not provide an opportunity to: • Switch from original Medicare to a Medicare Advantage Plan. • Switch from one Medicare Advantage Plan to another. • Switch from one Medicare Prescription Drug plan to another. • Join, switch or drop a Medicare medical Savings Account plan.

There are many types of election periods other than the ones listed on page 8. If there is a question as to whether or not the MA client can disenroll, please refer the client to the local SHIP office for direction.

Medicare Advantage (MA) Proof of Disenrollment

If applying for Medicare Supplement, Underwriting cannot issue coverage without proof of disenrollment. If a member disenrolls from a Medicare Advantage plan they must notify the member of his/her Medicare Supplement guarantee issue rights.

Disenroll during AEP and MADP

Complete the MA section on the Medicare supplement application; and send a copy of the applicant's MA plan's disenrollment notice.

If an individual is disenrolling after March 31 (outside AEP/MADP):

Complete the MA section on the Medicare supplement application; and send a copy of the applicant's MA plan's disenrollment notice.

For any questions regarding MA disenrollment eligibility, contact your State Health Insurance Assistance Program (SHIP) office or call 1-800-MEDICARE, as each situation presents its own unique set of circumstances. The SHIP office will help the client disenroll and return to Medicare.

Guarantee Issue Rights

The rights listed below can also be found in the Guide to Health Insurance. These are the Federal requirements. We offer plans A, B, C, or F (if available) on a guarantee issue basis.

Guarantee Issue Situation	Client has the right to…
Client's MA plan is leaving the Medicare program, stops giving care in his/her area, or client moves out of the plan's service area.	buy a Medigap Plan A, B, C, F, K or L that is sold in the client's state by any insurance carrier. Client must switch to Original Medicare Plan.
Client joined an MA plan when first eligible for Medicare Part A at age 65 and within the first year of joining, decided to switch back to Original Medicare.	buy any Medigap plan that is sold in your state by any insurance company.
Client dropped his/her Medigap policy to join an MA Plan for the first time, have been in the plan less than a year and want to switch back.	obtain client's Medigap policy back if that carrier still sells it. If his/her former Medigap policy is not available, the client can buy a Medigap Plan A, B, C, F, K or L that is sold in his/her state by any insurance company.
Client leaves an MA plan because the company has not followed the rules, or has misled the client.	buy Medigap plan A, B, C, F, K or L that is sold in the client's state by any insurance company.

PREMIUM

Calculating Premium

- Determine ZIP code where the client resides and find the correct rate card for that ZIP code
- Determine Plan
- Determine if non-tobacco or tobacco
- Find Age/Gender - Verify that the age and date of birth are the exact age as of the effective date
- Use the following Modal Factors to Calculate the Correct Modal Premium based off of the Annual premium rate

  Annual

  Semiannual (Modal Factor = .50)

  Quarterly (Modal Factor = .250)

  Monthly* (Modal Factor = Divide by 12)

  We do not offer a Monthly direct bill option.

Household Discounts

Household Discounts are offered in the following states:

Central States Indemnity
Georgia
Iowa
Mississippi
Nebraska
Nevada
Maine
West Virginia
****Note: Household Discount is 7%, except for Maine, where it is 5%**

CSI Life Insurance Company
Georgia
Indiana
Kentucky
Mississippi
Nebraska
Pennsylvania
South Carolina
Utah
West Virginia
****Note: Household Discount is 7%, except for Indiana, Pennsylvania, South Carolina and Utah, where it is 5%**

Guidelines:
A household discount is available to an applicant who has lived with an individual who is 50 or older for at least the last 12 months.

In Kentucky, a household discount is available to an applicant who has lived with an individual for at least the last 12 months.

In Pennsylvania, a household discount is available to an applicant who is living with their spouse or who has lived with an individual for at least the last 12 months and has an existing Medicare supplement policy or is applying for such a policy, with CSI Life Insurance Company.

In situations where an individual is applying for coverage and they have lived with an active CSI Medicare Supplement policyholder for at least 12 months, the household discount will be applied as follows:

- The individual applying for coverage will be given the discount if coverage is approved
- The active policyholder will receive the discount on his/her next policy billing Cycle

Sample Premium Calculations:
Preferred / Non-Tobacco Premium Rate Sheet

Attained Age	Plan A		Plan B		Plan C	
	Male	Female	Male	Female	Male	Female
65	1,107	964	1,293	1,124	1,549	1,347
66	1,107	964	1,293	1,124	1,549	1,347
67	1,162	1,009	1,357	1,179	1,622	1,410
68	1,214	1,056	1,417	1,233	1,696	1,474

Modal Factors	Semi-Annual	Quarterly	Monthly
	0.50	0.25	1/12

Discount to be calculated as follows:
Annual premium x 0.93 (7% discount) = Discounted Annual premium multiplied or divided by the modal factor (rounded to the nearest cent).

Applicant #1
Female, Non-tobacco user, age 67, applying for a plan B

Annual premium	$1,179 x 0.93 = **$1,096.47**
Semi-annual premium	$1,179 x 0.93 = $1,096.47 multiply by 0.50 = **$548.24**
Quarterly premium	$1,179 x 0.93 = $1,096.47 multiply by 0.25 = **$274.12**
Monthly premium	$1,179 x 0.93 = $1,096.47 divide by 12 = **$91.37**

Applicant #2
Male, Non-tobacco user, age 68, applying for a plan C

Annual premium	$1,696 x 0.93 = **$1,577.28**
Semi-annual premium	$1,696 x 0.93 = $1,577.28 multiplied by 0.50 = **$788.64**
Quarterly premium	$1,696 x 0.93 = $1,577.28 multiplied by 0.25 = **$394.32**
Monthly premium	$1,696 x 0.93 = $1,577.28 divide by 12 = **$131.44**

Note: After total Premium is calculated add the state specific one time policy fee for each applicant.
Completing the Premium on the Application

The payment mode should be selected on the application, with the first modal premium (including any policy fee) indicated either in the Premium Collected or Initial Bank Draft section. If an application is submitted without premium, the first modal premium and policy fee (if applicable) will be drafted on Issue Date or Effective Date as indicated on the application. If neither is selected on the application for the Initial Bank Draft, the first modal premium and policy fee will be drafted **on or after the effective date of the policy**.

Electronic Payment Authorization Form

If paying by bank draft, the Electronic Payment Authorization Form must be completed.

Section 1 allows the applicant to specify a payment preference for both the initial and subsequent premiums. If there is any conflict between the initial draft date selected on the application and the initial draft date selected on the Payment Form, the Payment Form date will be used.

To help policyholders manage their financial matters, the applicant may select a draft date that will coincide with their Social Security deposit date as indicated in the chart below.

	Benefits Paid On
*Birth Date on 1st - 10th	Second Wednesday**
*Birth Date on 11th - 20th	Third Wednesday**
*Birth Date on 21st - 31st	Fourth Wednesday**
Supplemental Security Income (SSI)	1st of the Month**
Beneficiaries who started receiving Social Security Benefits prior to May 1997 or who are receiving both SSI and Social Security	3rd of the Month**

*For beneficiaries who first started receiving social security May 1997 or later
**If date falls on weekend or holiday, payment is made prior business day

The option is also available to draft on a specific day of the month from 1 to 28. If this option is chosen and that day falls on a weekend or holiday the draft will occur the next business day. If a preferred draft day is not selected in section 1, all subsequent premiums will be drafted/charged on effective day.

Refunds

The company will make all refunds to the applicant in the event of rejection, incomplete submission, overpayment, cancellations, etc.

The Company does not accept post dated checks, cash, agent or agency check, money orders, traveler's checks, initial or renewal premiums from a Third Party Payor that have no family or business relationship to the applicant or Foundations, except where prohibited by law.

APPLICATION

Application Sections

The Medicare Supplement application consists of seven sections that must be completed. Please be sure to review your applications for the following information before submitting.

Section A — Proposed Insured Information

- Please complete the client's residence address in full.
- Please complete the applicant's Date of Birth and Current Age. Please remember age and premiums are based on the effective date, not the date the application was signed.
- Medicare Card number, also referred to as the Health Insurance Claim (HIC) number, is vital for electronic claims payment
- Height/Weight —This is required on underwritten cases.

Section B — Plan and Premium Information

- Entire Section must be completed
- This section should indicate the plan selected, effective date, and premium amount collected. If there was no premium collected, indicate that the initial bank draft should be drafted/processed on Issue Date or Effective Date. If neither is selected for the Initial Bank Draft on the application, the first modal premium and policy fee will be drafted **on or after the effective date of the policy**.

Section C— Eligibility Question

The tobacco question must be answered for all underwritten applications. The chart below indicates whether or not the tobacco question must be answered for open enrollment or guaranteed issue situations.

State	Tobacco question required
AK	Y
AL	Y
AR	N
AZ	Y
CA	Y
CO	N
CT	N
DC	Y
DE	Y
FL	Y
GA	Y
HI	Y
IA	N
ID	Y
IL	N
IN	Y
KS	Y
KY	N
LA	N
MD	N
ME	Y
MI	N
MN	Y
MO	N
MS	Y

State	Tobacco question required
MT	Y
NC	N
ND	N
NE	Y
NH	N
NJ	N
NM	Y
NV	Y
NY	N
OH	N
OK	Y
OR	Y
PA	N
RI	Y
SC	Y
SD	Y
TN	N
TX	Y
UT	N
VA	N
VT	N
WA	N
WI	N
WV	Y
WY	Y

- Please indicate if the applicant is covered under Parts A and B of Medicare.
- Please indicate the applicant's Medicare Part A and B effective or eligibility dates.
- Please indicate if the applicant is applying during a guaranteed issue period, be sure to include proof of eligibility if the answer is yes.

Section D — Health Questions

- If the applicant is applying during an open enrollment or a guarantee issue period, do not answer the health questions or prescription information.
- If applicant is not considered to be in open enrollment or a guarantee issue situation, all health questions must be answered, including the question regarding prescription medications.

NOTE: In order to be considered eligible for coverage, health questions 1-12 must be answered “No” and any “Yes” answers to questions 13-16 must be explained and evaluated by an underwriter.

For questions on how to answer a particular health question, see the Health Questions section of this Guide for clarification.

Section E – Medication History

- Please answer if applicant is taking any prescription or over-the-counter medications recommended by a physician and list medications, as well as the original date prescribed, dosage and frequency, and diagnosis/condition the medication is treating.

Section F – Replacement Information

- Verify if the applicant is covered through his/her state Medicaid program.
- If the applicant is leaving a Medicare Advantage or Medicare Cost/HMO plan, complete question #3 and include the replacement notice
- If the applicant is replacing another Medicare supplement policy, complete question #4 and include the replacement notice. If question #4 is answered ‘yes’, question 4b must also be answered ‘yes’ or a policy cannot be issued. The sale of more than one Medicare Supplement policy is prohibited by law.
- If the applicant has had any other health insurance coverage in the past 63 days, including coverage through a union, employer plan, or other non-Medicare supplement coverage, complete question #5

Please note question #1, 2, 4, and 5 must always be answered.

Authorization and Certification

- Signatures and dates: required by the applicant and the writing agent. All agents must be appointed in the applicant’s resident state **and** the applicant’s signature state before a policy can be issued. If someone other than the applicant is signing the application (i.e., Power of Attorney), please include copies of the papers appointing that person as the legal representative.
    - POA signatures are only allowed for Medicare Supplement applications applying for guaranteed issue or open enrollment. If Power of Attorney documents are over 12 months old we will need an affidavit signed and notarized, except where prohibited by law.
- Indicate Policy Mailing Preference, all policies will be mailed directly from our administrative office to the agent unless otherwise indicated on the application or as state law requires.

Declined Applications

Applications Will Be Declined For The Following Reasons**:**

- The applicant does not recall filling out the application.
- A family member filled out the application and the family member signed the application.
- A POA or other representative signed the application when the applicant was not in a Medicare Supplement Open Enrollment or Medicare Supplement Guaranteed Issue period.
- Any "yes" answers to the medical and health questions. (Excluding the Tobacco question).
- The application was taken by an agent who was not licensed and appointed at the time of solicitation in the state of solicitation, applicant's resident state and applicant's signature state.
- The applicant is unable or unwilling to complete the telephone interview.
- If additional forms requested by the underwriter are not submitted within the allotted timeframe.
- If the client is taking any of the drugs listed on the Medication guideline for the condition listed. (See Medication list - page 21).
- If the application was submitted with a premium check from a third party payor that has no family or business relationship to the applicant or a Foundation, except where prohibited by law. ***Please note, renewal premium payments will not be accepted from a third party payor that has no family or business relationship to the applicant or Foundations, except where prohibited by law.***
- If the applicant is replacing a Medicare Advantage or Medicare Cost/HMO Plan and is unable to provide proof of disenrollment from the Medicare Advantage or Medicare Cost/HMO Plan.
- If an applicant cannot provide the medical condition that a prescribed medication is treating and is unable to obtain the information from their physician

Applicants requesting the reason for declination

- If the reason for decline was non-medical, we are able to release this information verbally to both the agent and applicant.
- If the reason for decline came from information the applicant disclosed during the phone interview, we will advise the applicant verbally or send "the reason for decline letter" directly to the applicant only. This request can be made verbally or in writing.
- If the reason for decline came from medical records or information obtained directly from a physician – we will only release the reason for declination to a physician of the applicant's choice. This request should be in writing indicating the name, address and phone number of the physician and signed by the applicant.

Withdrawn Applications

An applicant can request to withdraw their application anytime during the underwriting process in writing or verbally via a recorded statement with one of our representatives. The writing agent will be contacted when notification is received indicating the applicant wishes to have their application withdrawn. The writing agent will be given 10 business days in which to try to conserve the business.

If an applicant's premium check is returned by their financial institution, the application will be processed as Withdrawn (a returned check is considered written notification of the applicant's intent to withdraw their insurance application). The writing agent is not contacted about conserving the business in this situation.

A full refund of the premium submitted with a withdrawn application will be processed 21 days after the date the check was deposited (to ensure the check has cleared the bank). If an applicant requests the refund prior to that, the applicant's financial institution will be contacted to verify the check has cleared. The refund check and a letter confirming the application was withdrawn will be mailed to the applicant. A copy of the letter will also be mailed to the writing agent.

If an application was submitted without premium a letter confirming the application was withdrawn will be mailed to the applicant. A copy of the letter will also be mailed to the writing agent.

Not Taken Insurance Policies

Applicants who have received an insurance policy without any outstanding delivery requirements will need to provide a signed written notice of their request not to take their issued insurance policy. The request can be in the form of the returned insurance policy appropriately marked they do not wish to keep the insurance policy or may be in the form of a signed letter or other written statement.

If the applicant was mailed an insurance policy with outstanding delivery requirements, and the delivery requirements are not received within the allotted timeframe, the insurance policy will be considered Not Taken and processed as such.

An applicant with a *Not Taken* insurance policy should be encouraged to return the insurance policy if they have not already done so.

In order to receive a full refund of premium, the request not to take the insurance policy must be either post-marked (if sent via mail) or received by our administrative office (if faxed) within the 30-day free look period. A full refund of the premium for Not Taken insurance policies will be processed 30 days after the date the check was deposited (to ensure the check has cleared the bank). If the applicant requests the refund prior to that, the applicant's financial institution will be contacted to verify the check has cleared.

HEALTH QUESTIONS

Unless an application is completed during open enrollment or a guarantee issue period, all health questions, including the question regarding prescription medications, must be answered. Our general underwriting philosophy is to deny Medicare supplement coverage if any of the health questions #1-12 are answered "Yes." For a list of uninsurable conditions and the related medications associated with these conditions, please refer to pages 20, 21 and 22.

There may, however, be situations where an applicant has been receiving medical treatment or taking prescription medication for a long-standing and controlled health condition which may be an acceptable risk. Those conditions are listed in health questions #13 - 16.

A condition typically is considered to be controlled if within the past 2 years there have been (1) no changes in treatment and (2) no increase in the dosage of medication. If the applicant meets those criteria and you would like consideration to be given to the application, answer the appropriate question "Yes". In addition, please provide an explanation on the application stating how long the condition has existed and how it is being controlled. Be sure to include the names and dosages of all prescription medications. Keep in mind, the underwriting for a condition being well controlled may involve additional factors than those stated above.

Below is a list of how some of the conditions listed in medical question #13-16 will be interpreted for underwriting purposes.

Question #13 - Consideration for coverage may be given to those persons who have any of the conditions listed in question #13 provided the event (Heart attack, stroke or TIA) or diagnosis occurred outside the two-year time frame. In addition, to verify stability, there should be no cardiac related hospitalizations within the past two years.

Below are general guidelines related to Heart Disease:

Heart disease is a general term that refers to a variety of acute and chronic medical conditions that affect one or more of the components of the heart.

Conditions that would be classified as heart disease would include:

*Coronary or Carotid Artery Disease	Adams-Stokes Disease
*Heart Attack	Aortic Aneurysm
*Congestive Heart Failure	Cardiomyopathy
*Heart Valve Disease	Congenital Heart Disease
*Peripheral Vascular Disease	Rheumatic Heart Disease
*Enlarged Heart	Peripheral Artery Disease
*Heart Rhythm Disorders** (which includes	Myocarditis
Arrhythmias and Atrial Fibrillation)	Endocarditis

*Condition is listed on the application

**Below are some types and descriptions of Heart Rhythm Disorders:

- Bradycardias – an arrhythmia that makes the heart rhythm too slow
- Tachycardias – an arrhythmia that makes the heart rhythm too fast.
- Bundle Branch Block (BBB) – disorders affecting the bundle branches.
- Atrial Fibrillation / Atrial Flutter – an irregular heart rhythm, caused by extremely rapid and chaotic electrical impulses that are generated in the heart's atria.

A Pacemaker, Defibrillator or Ablation procedures in addition to drug therapy are common forms of treatment for heart rhythm disorders. Note: use of an implantable cardiac defibrillator will lead to a decline.

Question #14 - Crippling/disabling arthritis and degenerative bone disease is determined by many factors. Some additional field underwriting questions/observations are listed below to help you determine if the application should be submitted:

- ✓ Can the applicant perform their activities of daily living such as, dressing, eating, bathing, housework and shopping without limitations? – Application can be submitted.
- ✓ Does the applicant require any assistance in walking, such as, use of a cane, walker, wheelchair, or does another person provide assistance? – Application should **not** be submitted.
- ✓ Is the applicant considering or have they been advised by a physician to have physical therapy, surgery or injections? – Application should **not** be submitted.
- ✓ Has the applicant received any injections or infusions within the past 12 months for arthritis or degenerative bone disease? – Application should **not** be submitted.
- ✓ Is the applicant taking a narcotic pain medication on a regular basis (daily or weekly) for arthritis or degenerative bone disease? – Application should **not** be submitted.

Question #15 - Consideration for coverage may be given to those persons with a mental or nervous disorder requiring psychiatric care providing the treatment has been stable for the past two years. The condition is considered stable if there have been no increases in the medications for at least two years, the applicant has no more than 4 maintenance psychiatric visits per year **and** they have not been hospitalized for this condition in the past two years.

Question #16 - Consideration for coverage may be given to those persons with well-controlled cases of high blood pressure and diabetes. **Pre-Diabetes or border-line diabetes taking prescription medications will be underwritten the same as diabetes**. A case is considered to be well-controlled if the person is taking:

- less than 50 units of insulin daily
- **no more** than two oral medications for diabetes
- **no more** than two medications for high blood pressure.

A combination of less than 50 units of insulin a day and one oral medication would be the same as two oral medications. In general, to verify stability, there should be no increase in the dosages of medications for at least two years. If more than two medications are being taken, individual consideration will be given where deemed appropriate. We consider hypertension to be stable if recent average blood pressure readings are 150/85 or lower.

Uninsurable Health Conditions

Applications should not be submitted if applicant has the following conditions:

AIDS	Spinal Stenosis
Alzheimer's Disease	Emphysema
ARC	Kidney disease
Cirrhosis	Lateral Sclerosis (ALS)
Chronic Obstructive Pulmonary Disease (COPD)	Lupus - Systemic
Other chronic pulmonary disorders to include:	Multiple Sclerosis
Chronic bronchitis	Myasthenia Gravis
Chronic obstructive lung disease (COLD)	Organ transplant
Chronic asthma	Osteoporosis with fracture
Chronic interstitial lung disease	Parkinson's Disease
Chronic pulmonary fibrosis	Senile Dementia
Cystic fibrosis	Other cognitive disorders to include
Tuberculosis	Mild cognitive impairment (MCI)
Sarcoidosis	Delirium
Bronchiectasis	Organic brain disorder
Scleroderma	

In addition to the above conditions, the following will also lead to a decline:

• Implantable cardiac defibrillator

• Use of supplemental oxygen

• Use of a nebulizer

• Asthma requiring continuous use of three or more medications including inhalers

- Regular use of a narcotic medication (daily or weekly) for any condition listed on the application.
- Taking any medication that must be administered in a physician's office through injection, IV, infusion or any that are scheduled or anticipated in the next 12 months.
- Advised to have surgery, medical tests, treatment or therapy
- If applicant's height/weight is in the decline column on the chart

Diabetes in conjunction with the following list of heart conditions will result in a decline:

- History of stents
- History of bypass surgery
- Defibrillator
- Congestive Heart Failure (CHF)
- Enlarged Heart / Cardiomyopathy
- Coronary Artery Disease (CAD)
- Carotid Artery Disease (CAD)
- Carotid Arteries "cleaned out"
- History of a Heart Attack
- Peripheral Vascular Disease (PVD)
- Peripheral Arterial Disease (PAD)
- "Blockage"
- History of an Endarcterectomy
- "Plaque Build-up" / "Clogged Arteries"
- Heart Valve Disease
- Heart Valve Replacement

MEDICATION GUIDELINE

This list is not all-inclusive. An application should not be submitted if a client is taking any of the following medications:

3TC	AIDS
Acetate	Prostate Cancer
Alkeran	Cancer
Amantadine	Parkinson's Disease
Apokyn	Parkinson's Disease
Aptivus	HIV
Aricept	Dementia
Artane	Parkinson's Disease
Atripla	HIV
Avonex	Multiple Sclerosis
Azilect	Parkinson's Disease
AZT	AIDS
Baclofen	Multiple Sclerosis
BCG	Bladder Cancer
Betaseron	Multiple Sclerosis
Bicalutamide	Prostate Cancer
Carbidopa	Parkinson's Disease
Casodex	Prostate Cancer
Cerefolin	Dementia
Cognex	Dementia
Combivir	HIV
Comtan	Parkinson's Disease
Copaxone	Multiple Sclerosis
Crixivan	HIV
Cytoxan	Cancer, Severe Arthritis, Immunosupression
D4T	AIDS
DDC	AIDS
DDI	AIDS
DES	Cancer
DuoNeb	COPD
Eldepryl	Parkinson's Disease
Embrel	Rheumatoid Arthritis
Emtriva	HIV
Epivir	HIV
Epogen	Kidney Failure, AIDS
Ergoloid	Dementia
Exelon	Dementia
Fuzeon	HIV
Galantamine	Dementia
Geodon	Schizophrenia
Hydrea	Cancer
Hydroxyurea	Melanoma, Leukemia, Cancer
Imuran	Immunosupression, Severe Arthritis
Insulin (>50 units/day)	Diabetes
Interferon	AIDS, Cancer, Hepatitis
Indinavir	AIDS
Invega	Schizophrenia
Invirase	AIDS
Kaletra	HIV
Kemadrin	Parkinson's Disease
Lasix / Furosemide (>60 mg/day)	Heart Disease
L-Dopa	Parkinson's Disease
Letairis	Pulmonary Hypertension
Leukeran	Cancer, Immunosupression, Severe Arthritis
Leuprolide	Prostate Cancer
Levodopa	Parkinson's Disease
Lexiva	HIV
Lioresal	Multiple Sclerosis
Lomustine	Cancer
Lupron	Cancer
Megace	Cancer
Megestrol	Cancer
Mellaril	Psychosis
Melphalan	Cancer
Memantine	Alzeheimer's Disease
Methotrexate (>25 mg/wk)	Rheumatoid Arthritis
Metrifonate	Dementia
Mirapex	Parkinson's Disease
Myleran	Cancer
Namenda	Alzeheimer's Disease
Natrecor	CHF
Nelfinavir	AIDS
Neoral	Immunosupression, Severe Arthritis
Neupro	Parkinson's Disease
Norvir	HIV

Gold	Rheumatoid Arthritis	Novatrone	Multiple Sclerosis
Haldol	Psychosis	Paraplatin	Cancer
Herceptin	Cancer	Parlodel	Parkinson's Disease
Hydergine	Dementia	Permax	Parkinson's Disease
Prednisone (>10 mg/day)	Rheumatoid Arthritis, COPD	Tacrine	Dementia
Prezista	HIV	Tasmar	Parkinson's Disease
Procrit	Kidney Failure, AIDS	Teslac	Cancer
Prolixin	Psychosis	Thiotepa	Cancer
Razadyne	Dementia	Thorazine	Psychosis
Remicade	Rheumatoid Arthritis	Trelstar-LA	Prostate Cancer
Reminyl	Dementia	Triptorelin	Prostate Cancer
Remodulin	Pulmonary Hypertension	Trizivir	HIV
Requip	Parkinson's Disease	Truvada	HIV
Rescriptor	HIV	Tysabri	Mutliple Sclerosis
Retrovir	AIDS	Valcyte	CMV HIV
Rebif	Multiple Sclerosis	VePesid	Cancer
Reyataz	HIV	Videx	HIV
Rilutek	Amyotrophic Lateral Sclerosis	Vincristine	Cancer
Riluzole	Amyotrophic Lateral Sclerosis	Viracept	HIV
Ritonavir	AIDS	Viramune	AIDS
Sandimmune	Immunosupression	Viread	HIV
	Severe Arthritis	Zanosar	Cancer
Selzentry	HIV	Zelapar	Parkinson's Disease
Sinement	Parkinson's Disease	Zerit	HIV
Stalevo	Parkinson's Disease	Ziagen	HIV
Stelazine	Psychosis	Ziprasidone	Schizophrenia
Sustiva	AIDS	Zoladex	Cancer
Symmetrel	Parkinson's Disease	Zometa	Hypercalcemia in Cancer

REQUIRED FORMS

Application

Only current Medicare Supplement applications may be used in applying for coverage. A copy of the completed application will be made by the Company and attached to the policy to make it part of the contract.

Electronic Payment Authorization Form

If premiums are paid by automatic bank draft, complete this form.

Replacement Form

The replacement form must be signed and submitted with the application when replacing any Medicare Supplement, Medicare Advantage or Medicare Cost/HMO plan. A signed replacement notice must be left with the applicant; a second signed replacement notice must be submitted with the application.

In Wisconsin, the replacement form must also be completed when replacing any other health insurance.

Household Discount Form

The Household discount form must be completed for the discount to be applied.

AMENDMENTS

An Amendment to the application will be generated for the following reasons:

- Any question left blank (a new application will be required if four or more questions are left blank)
- Any question answered incorrectly on the application (as determined in the phone interview)
- An error or unclear answer for the date of birth or plan being applied for
- Application sign date is left blank or is altered
- The “signed at” information is left blank or is incorrect
- A change made to the application is not initialed by the applicant
- Premium calculation error (if the first month’s premium is to be paid via bank draft and we are unable to contact the client to get approval)

STATE SPECIAL FORMS

Forms specifically mandated by the states to accompany the application.

Illinois

Medicare Supplement Checklist – The Checklist must be completed and submitted with the application and a copy left with the applicant.

Kentucky

Medicare Supplement Comparison Statement – The Comparison Statement must be completed and submitted when replacing a Medicare supplement, a Medicare Advantage or a Medicare HMO plan.

Ohio

The Medicare Supplement Insurance Solicitation Notice – This Solicitation Notice must be completed and submitted with the application and a copy left with the applicant.

PRIVACY AND HIPAA COMPLIANCE

The Health Insurance Portability and Accountability Act (HIPAA) establishes requirements and restrictions pertaining to the use and disclosure of Protected Health Information. Please refer to www.csi-omaha.com and familiarize yourself with both CSI's HIPAA Policy (Notice of Privacy Practices) and Privacy Policy. Your adherence to federal and state laws and regulations that provide privacy protections is mandatory.