





# KELLY & ASSOCIATES INSURANCE GROUP, INC.

## WAIVER OF INSURANCE COVERAGE

### Medical/Dental/Vision/Medicaid & State Children's Health Insurance Program (SCHIP)

#### Notice of Special Enrollment Period

If you are declining enrollment for yourself and/or your eligible dependent(s) because of other health/dental/vision insurance coverage and if you lose that coverage, you may in the future be able to enroll yourself and/or your eligible dependent(s) in this plan, provided that you request enrollment within 30 days after your other coverage ends. If you are declining coverage for yourself and/or your eligible dependent(s) for any other reason, you cannot join the plan later unless you have a new dependent as a result of marriage, birth, adoption, placement for adoption, loss of Medicaid or SCHIP coverage, eligibility for Medicaid or SCHIP coverage, or during open enrollment period, if applicable. You may then be able to enroll yourself and your eligible dependent(s), provided that you request enrollment within 30 days after the marriage, birth, adoption, or placement for adoption, or within 60 days for Medicaid and SCHIP.

If you decline coverage for yourself and/or your eligible dependent(s) because of other health/dental/vision coverage or if you fail to request plan enrollment within 30 days after your (and/or your eligible dependent's) other coverage ends, you will not be eligible to enroll yourself, or your eligible dependent(s) during the special enrollment period discussed above and you will need to wait until the next open enrollment period to enroll in the plan's health/dental/vision coverage.

#### Non-Medical

If you are voluntarily declining non-medical coverage provided by your employer, you may choose to enroll at a later date depending upon the coverage now being waived. With the late enrollment your cost may be higher, a health questionnaire may be required and the effective date of your coverage may be delayed or denied. If coverage is non-contributory (employer pays entire cost) waivers are not permitted.

Note: Under Section 125, you may make changes to your pre-tax benefit plans only if you experience a qualified event. The change you request must be consistent with the event. The following are the IRS minimum Qualified Events:

1. Marriage, divorce, or legal separation,
2. Birth or adoption of a child,
3. Death of a spouse or child,
4. Change in residence or work location that affects benefits eligibility for you or your covered dependent(s),
5. Your child(ren) meets (or fails to meet) the plan's eligibility rules (for example, student status changes),
6. You or one of your covered dependents gain or lose other benefits coverage due to a change in employment status (for example, beginning or ending a job),
7. Loss or eligibility for Medicaid or SCHIP Coverage.

**Notice to the Insured:** The insurance carrier sells insurance products pursuant to which eligible employees of the policyholder may obtain coverage. Kelly & Associates Insurance Group, Inc. actively administers the insurance carrier's health insurance program. Premiums are made by the policyholder to KELLY on behalf of eligible employees. These amounts are then forwarded to the insurance carrier that provides the benefits for the eligible employee. KELLY is authorized by the insurance carrier to perform the following functions for group health benefit plans and all other insurance products issued, administered or marketed by the insurer:

- Process enrollment activity
- Collect premiums and remit payments to the carrier
- Answer questions pertaining to enrollment activity, invoice or benefit inquiries

**The Role of KELLY:** KELLY is not the Employer, plan sponsor, insurance carrier, plan administrator or plan fiduciary under the Employee Retirement Income Security Act of 1974 (ERISA) for any benefits or insurance coverage offered through or described in the Sites. KELLY is not responsible for state and federal disclosure and reporting requests or for complying with existing laws. These responsibilities remain with your Employer. KELLY is a Third Party Administrator providing services to assist in the collection and processing of enrollment data and/or the collection of premiums on behalf of the Carrier from which coverage has been requested. KELLY has no underwriting or claims paying functions. KELLY has no authority to underwrite or bind coverage. All decisions as to requests for additional information used to make decisions whether to bind coverage, the binding of coverage, the level of coverage provided, or the payment or denial of claims are made solely by the Carrier. KELLY has no role in making these decisions. Any coverage bound is a contract between the participating Employee, the Employer and the Carrier. KELLY is not a party to that contract. The Carrier from which the participating Employee has requested coverage will rely on the information provided during the enrollment process. KELLY will transmit the data to the Carrier(s) "as-provided". KELLY is not responsible for any determinations made based on the information provided by the participating Employee during enrollment or in response to any subsequent inquiry by the Carrier. The Carrier may require additional information, forms and/or documents, amongst other potential items [such as Evidence of Insurability (EOI)], from the participating Employee and/or any other person for which the participating Employee is requesting coverage prior to making a decision as to what, if any, coverage the Carrier will provide. Following directions from the Carrier and providing the requested information in a timely manner is of critical importance. The deduction of premiums from the participating Employee's pay does not in and of itself guarantee that any coverage, or coverage at the levels requested, has been bound and is in effect. This provision shall survive termination of this Agreement.

**Notice:** Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties.