

ARKANSAS COMPREHENSIVE HEALTH INSURANCE POOL (CHIP)
Endorsement to Policy Form – CHIP 201 (3/04)

IMPORTANT: KEEP THIS ENDORSEMENT WITH YOUR POLICY

This Endorsement, which form number is CHIP – 201 EN 5.1 (5/06), amends your Policy. This Endorsement also replaces Endorsement Form CHIP – EN 5.0 (5/04). You should discard Endorsement CHIP – EN 5.0 (5/04). The sections of your Policy not changed by this Endorsement remain in effect. All Endorsements not replaced by this Endorsement also remain in effect.

The Policy is amended as follows:

1. On page iv, by deleting the second sentence after the asterisks, which is in the middle of the page and begins: “If you qualify, elect and pay an additional premium charge . . .” and replacing that sentence with the following new section:

“**Policy Rider Waiving Pre-existing Condition Exclusion.** If eligible, you may purchase a Pre-existing Condition Exclusion Waiver Rider in order to receive coverage for pre-existing conditions that otherwise may be excluded from coverage under this Policy. This Rider is explained further in the GENERAL LIMITATIONS section of your Policy, under the section on Pre-existing Condition Exclusions.”

2. On page 7 (in the section entitled DEFINITIONS), by adding the following definition:

“A **Tobacco User** means someone who smokes any type of lighted pipe, cigar, cigarette or any other smoking equipment filled with tobacco, or uses any type of smokeless tobacco, such as snuff or chewing tobacco.”

3. On page 12 (in the section entitled BENEFITS), by deleting the subparagraph entitled “Deductibles” and replacing it with the following:

“**Deductibles**

(1) **Meeting the Calendar Year Deductible.** This Policy has a calendar year Deductible which is shown on the Coverage Summary. We will not begin to pay the Covered Expenses in any calendar year until the deductible amount is satisfied. All Covered Expenses paid by an Insured Person count towards the calendar year deductible.

(2) **Increasing the Deductible.** An Insured Person may *increase* his or her deductible effective the first of any month, if the request is received before the 15th of the prior month. For example, if a request to increase the deductible from \$5,000 to \$10,000 is received on 1/25, the change will be effective on 3/1. If the request had been received prior to 1/15 instead, then the increase would have been effective on 2/1.

(3) **Decreasing the Deductible.** An Insured Person may *decrease* his or her deductible *only* effective January 1 of each year. The request to decrease the deductible must be

received before 12/15 of the prior year. For example, no decrease in deductible can take place for 2007 if the request is received on 12/17/06.”

4. On page 19, before the underlined heading “Other Services and Supplies,” insert the following:

Maternity Care. Covered Expenses include all charges relating to pregnancy, through the birth of the child. Covered Expenses do not include coverage of newborn infants. However, an Insured Person may purchase coverage for a newborn infant in accordance with the provisions in Part III of the Policy on page 41, in the section entitled “Newborn Children.”

5. On page 21 (in the section entitled GENERAL LIMITATIONS) by deleting the subsection entitled “Conditional Waiver” through the end of page 21 and replacing it with the following:

“**Conditional Waiver.** A Resident Eligible Person may purchase the conditional waiver of pre-existing condition exclusions if the Resident Eligible Person:

- “(1) Has satisfied similar exclusions under any prior *individual* health insurance coverage that was involuntarily terminated;
- (2) Is ineligible for any Continuation Coverage that would continue or provide substantially similar coverage following such termination; and
- (3) Has applied for CHIP coverage not later than thirty (30) days following the involuntary termination.”

6. On page 32 (in the section entitled GENERAL EXCLUSIONS), by deleting the subparagraph entitled “Maternity Care.”

7. On page 42 (in the section entitled Part III—ALL PERSONS), by deleting the subparagraph entitled “Changes in Premium Rate” and replacing it with the following:

“**How your premium rates may vary.** The premium rate you pay is determined by the deductible level you choose, your age, your gender and whether or not you are a Tobacco User.

(1) **Age.** The premiums under this Policy are age rated. This means the premium will always increase at each five (5) year interval on the next premium due date when the Insured Person reaches age 20, 25, 30, 35, etc.

(2) **Deductible.** Your premium will vary by the level of deductible. For example, Insureds with a \$1,000 deductible will pay more premium than those with a \$10,000 deductible.

(3) **Gender.** Your premium also will vary based on whether you are a male or female. For additional premium, female applicants who are not pregnant also may purchase a Maternity Care Rider at the time they apply for coverage. See paragraph 1 of this Endorsement.

(4) **Tobacco User.** If you currently are a Tobacco User, or have been a Tobacco User at any time within the 12 months before you apply for CHIP coverage, you must pay a higher premium than persons of similar age, gender and deductible level who are not Tobacco Users. CHIP may require a physician's documentation that you do not use tobacco. If you stop being a Tobacco User for at least 12 months, you may request a rate change by filing with the ADMINISTRATOR either a statement from your physician or an affidavit certifying that you have not been a Tobacco User for at least 12 months. Please contact the ADMINISTRATOR for more information on how to request such a rate change.

We will give you thirty-one (31) days' notice before we increase your premium for age or any other reason. If you pay the new rate, the payment indicates that you accept the change. If you do not accept the change, you can automatically terminate this Policy by not paying the new rate.