

**ARKANSAS COMPREHENSIVE HEALTH INSURANCE POOL (CHIP)
Endorsement to Policy Form – 2003 Trade Adjustment Act Health Coverage Tax Credit
Form Number CHIP HCTC – 101 (10/03)**

IMPORTANT: KEEP THIS ENDORSEMENT WITH YOUR POLICY

This Endorsement, which form number is CHIP HCTC-101 EN 1.1 (05/06) amends your Policy. This Endorsement also replaces Endorsement Form CHIP HCTC– EN 1.0 (5/04). You should discard Endorsement CHIP HCTC – EN 1.0 (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 1, by deleting all text after the first sentence of subparagraph B of SECTION 1—Policy, so that the revised subparagraph provides as follows:

“B. **Policy Revisions.** We can change this Policy by giving you thirty (30) days advance notice but we will change it only if we change all policies of the same form.”

2. On page 1, by adding the following as subparagraph E to SECTION 1—Policy:

“E. **Policy Riders 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 subparagraph A of SECTION VI - GENERAL LIMITATIONS.

3. On page 12, by adding subparagraph MM (in SECTION II—DEFINITIONS):

“MM. **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.”

4. On page 19, by replacing subparagraph B of SECTION IV—INFORMATION ABOUT YOUR BENEFITS with the following:

“B. **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.

5. On page 28, by inserting a new subparagraph N of SECTION V—COVERED EXPENSES, as follows:

“N. **Maternity Benefits**

“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 Section VIII.C (3) of this Policy.”

6. On page 43, by deleting subparagraph N of SECTION VII—EXCLUSIONS, relating to Maternity Care.

7. On page 58, by replacing subparagraph G.1 of SECTION IX—PREMIUM PAYMENTS, with the following:

“(1) 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.

(a) **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.

(b) **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.

(c) **Gender.** Your premium will also vary based on whether you are a male or female. Also, for additional premium, female applicants who are not pregnant may purchase a Maternity Care Rider at the time they apply for coverage. See paragraph 2 of this Endorsement (adding subparagraph E.2 of SECTION I—Policy).

(d) **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.”