



WISCONSIN ASSOCIATION OF HEALTH UNDERWRITERS

UNIFORM EMPLOYEE APPLICATION *Position Statement - January 2004*

In the Group Insurance Market, the Health Insurance Portability and Accountability Act (HIPAA) of 1996 created barriers for the competitive shopping of health insurance for small businesses.

One potential solution to these barriers was the development of Uniform Employee Application (UEA). The goals of UEA were to:

- Ease the burden of employees (and employers) from having to complete multiple, duplicative health questions just to obtain more accurate proposals.
- Ease the burden of employers from having to provide multiple premium deposits in order to obtain more accurate proposals.
- Simplify the process by which employers can competitively shop the market for health insurance.

Uniform Employee Application would provide for the opportunity for an employee to complete detailed health questions one time, thus allowing that information to be provided to multiple insurers. With such detailed health questions, insurers could provide more accurate proposals, thus allowing small employers to receive multiple competitive bids. Upon review of all proposals, an employer would choose the insurer they wished to purchase from and would then be required to complete all necessary employer and employee enrollment materials, including the submission of their premium deposit. Upon receipt of such information, insurers could then begin the process of final underwriting and development of final premiums.

Since UEA was enacted, the Office of the Commissioner of Insurance (OCI) has been working on the development of the application and the regulation of Ins 8.49 in conjunction with the industry. However, the application that ultimately was created proved to be inadequate for the goals described above. After several weeks of utilizing the application in the marketplace, it became obvious that the form did not allow for the improvement of the proposal process, which was the main intent of the legislation. Some suggestions were made that would have crafted the application to be more workable. These changes were supported by agents, insurers and employers.

A hearing was held in the Health Committees in both houses and it was overwhelmingly voted to send the application back to have these changes made. **We urge the legislature to ensure such changes are made to the application, which will in turn provide small employers with the ability to competitively shop for health insurance.**