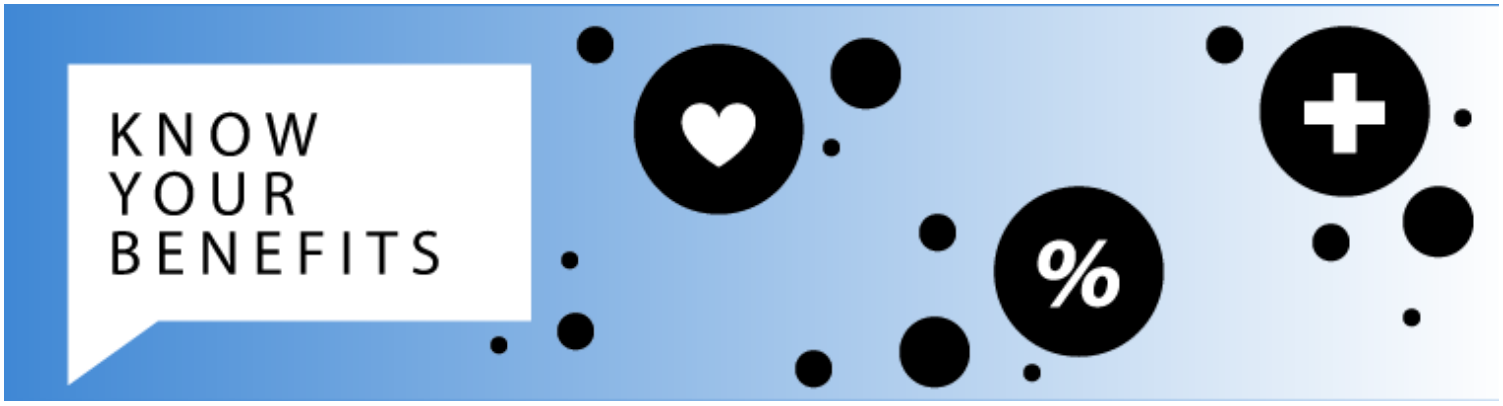

What to Know About Evidence of Insurability

NIS
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When enrolling in benefits, you may encounter a requirement called evidence of insurability (EOI). In some situations, completing the EOI process is the final step before certain coverage becomes effective. Because this step can sometimes be overlooked, employees may believe they have elected a specific amount of coverage when the carrier has not approved or issued it. A basic understanding of an EOI can help avoid surprises and provide greater confidence during the enrollment process.

This article explains EOI, why it may be required and what employees can expect throughout the review process.

Basics of EOI

EOI is part of the insurance application process and may be required when enrolling in certain types or amounts of insurance coverage. Through this process, employees and their dependents provide health information that allows the insurance carrier to evaluate whether the requested coverage can be issued.

EOI is commonly associated with life insurance, disability insurance and certain voluntary benefit programs. Not every enrollment decision involves an EOI. Whether an EOI is required depends on the benefit plan, the amount of coverage selected and the carrier's underwriting guidelines.

Most often, the process involves completing a health questionnaire that asks about medical history, current health conditions, prescription medications and recent treatments. The questionnaire can be completed through a secure online portal or submitted directly to the carrier. Information collected through the EOI helps the carrier determine whether the requested coverage can be approved.

When an EOI May Be Required

Not every benefit election follows the same approval process. In many cases, coverage can be elected without completing health questions or providing additional information. However, certain elections may require closer review by the insurance carrier before coverage takes effect.

Common situations that may trigger an EOI requirement include:

- **Guaranteed issue limits**—Guaranteed issue amounts establish the maximum coverage available without answering health questions. Elections above that threshold fall outside the plan's automatic approval limits.
- **Coverage increases**—Requests for larger benefit amounts, whether during initial enrollment or through a future coverage increase, often result in carriers requesting further information.
- **Late enrollments**—Elections made after the initial eligibility period fall outside the standard enrollment window and may be evaluated differently.
- **Spouse and dependent coverage**—Coverage elected for family members may be subject to further underwriting review in accordance with plan specifications.

- **Life event changes**—Qualifying life events create opportunities to make benefit changes, which could result in an EOI request.

EOI requirements vary by carrier, benefit plan and coverage election. Employees are generally notified during enrollment when additional information is required before coverage can be approved.

The EOI Review Process

The carrier reviews each EOI submission to evaluate the requested coverage and decide whether additional information is necessary. Many applications are resolved using only what's submitted. Others call for supporting documentation before a decision can be reached.

The amount of detail requested within the EOI questionnaire varies by carrier and coverage type. Some applications take only a few minutes to complete, while others take considerably longer. Having information such as medical history, current medications and ongoing treatment details readily available can make the process easier and more efficient.

Review timelines vary based on the information required to evaluate the application. Requests that can be reviewed based on the information provided are often decided within a few business days, while applications that depend on medical records or physician statements may take several weeks. Throughout the process, the carrier communicates directly with the applicant regarding any additional or missing information, status updates and the final decision. While the review is underway, the requested coverage amount remains pending; however, any previously approved guaranteed-issue coverage continues to be in effect.

An EOI that is started but never completed can leave a coverage request unresolved. Any missing information or unanswered questions may result in follow-up requests that extend the overall timeline.

Once the evaluation is complete, the carrier issues a decision. Applications are approved as submitted, approved with a modified coverage amount, or denied. Employers typically receive only the final determination and are not involved in reviewing personal health information. If an application results in a modified amount or denial, the insurance carrier typically outlines any available appeal or reconsideration options.

Final Considerations

EOI is often the final step when increasing existing coverage amounts or enrolling in benefits subject to underwriting review. Without submitting the requested information, employees may mistakenly assume their elections are already in effect when the carrier has not yet reached a determination.

Providing complete and accurate health information enables the carrier to evaluate the request and determine the amount of coverage to be issued. Once a decision has been made, review any carrier correspondence, benefit records and payroll deductions to ensure they align with the finalized coverage amount.

Contact us for assistance with a coverage election or questions about the EOI process.