

Small Group Carrier Guidelines August, 2009	 <span style="float: right;">Revision Date (8/13/2009)</span>
<b>Age Band or Composite:</b>	Only age band rates available. Composite rates are not available for groups of 2 to 50 lives.
<b>Carrier Wrap Requirements:</b>	For groups of 2 to 9 lives, Sharp must be the sole carrier. For groups of 10 to 15 enrolled employees, a minimum of 10 must enroll with Sharp. For 16 + enrolled employees, the greater of 10 employees or 50% of the group must enroll with Sharp. May have single HMO plan only. PPO plans may not be written alongside another carrier. No Sharp wrap with California Choice allowed either.
<b>Carve Out Criteria:</b>	Class carve outs are underwritten by plan and are accepted upon review (non-guarantee issue). A minimum of 5 enrolled is also required along with 100% participation. Individual health statements are also required.
<b>Dual Choice Guidelines:</b>	Minimum of 6 enrolled employees required to offer a dual option (and Sharp must be the only carrier). Dual or multi plan option is only available within the Blue or within the Gold network (except for So. Riverside county where both networks must be offered). Minimum participation of 3 enrolled employees in the HMO and 3 enrolled employees in a PPO. No more than 50% of the group may take a PPO.
<b>Employer Eligibility:</b>	Group must employ 2 to 50 employees for 50% of the days in the preceding calendar quarter or calendar year prior to the effective date of coverage. May use whichever test is more favorable to determine eligibility. In determining the number of eligible employees, companies that are affiliated or eligible to file a combined state tax return shall be considered one employer.
<b>15th of the Mo. Effective Date:</b>	Not Available
<b>HRA Eligibility:</b>	No HRA funding available at this time.
<b>Multiple Plan Options:</b>	Minimum of 6 enrolled employees required to offer a dual option (and Sharp must be the only carrier). Dual or multi plan option is only available within the Blue or within the Gold network (except for So. Riverside county where both networks must be offered). Minimum participation of 3 enrolled employees in the HMO and 3 enrolled employees in a PPO. No more than 50% of the group may take a PPO.
<b>Out of State Guidelines:</b>	Group must be AB1672 qualified and out of state employees must enroll on Sharp's PPO partner plan. No more than 30% of the group can be out of state and enroll on a PPO plan.
<b>Over-age Dependent Children:</b>	Unmarried children may remain eligible on the parent's plan until they reach age 19. Unmarried children may remain on parent's plan from age 19 through age 24 if they are a full time student (12 units or more) in an accredited college. Student verification required.
<b>Ownership Documentation Requirements:</b>	<p>For owners and officers not appearing on company DE6, Owner/Partner form must be completed and returned with the following additional ownership paperwork for groups of all sizes:</p> <p><b>Sole Proprietorship:</b> Business license with names of all owners listed, or the Fictitious Business Name Statement with the owners listed, or a copy of the latest Schedule C tax form.</p> <p><b>Partnership:</b> Business license with the names of all owners listed, or the Fictitious Business Name Statement with all owners listed, or a notarized copy of the partnership agreement, or a copy of each partners Schedule K-1 tax form.</p> <p><b>"C" Corporation:</b> Articles of Incorporation listing all officers names or the Statement of Information Domestic Stock Corporation listing the names of all officers.</p> <p><b>"S" Corporation:</b> Articles of Incorporation listing all officers names or the Statement of Information Domestic Stock Corporation listing the names of all officers.</p> <p><b>LLC:</b> Articles of Organization required with the LLC Statement of Information and the LLC Application for Registration.</p> <p><b>Husband &amp; wife only groups require one person to be on payroll or a DE6, unless the group can provide a notarized partnership agreement listing both as partners and most recent tax year Schedule K-1 for each partner or Form 1120 with the Schedule E for a corporation. Tax extensions will not be accepted (must have current tax year's filing).</b></p>
<b>Participation Guidelines:</b>	If plan is contributory, then a minimum of 70% participation of the eligible employees (excluding valid waivers) is required. If plan is non-contributory, then 100% participation is required (excluding valid waivers). If a PPO plan is offered, then minimum participation is 75% of the eligible employees for contributory plans.
<b>Part-Time Employee Enrollment:</b>	May cover employees who work 20 - 29 hours per week if the employer offers coverage to all similarly situated individuals under the group plan and the employee otherwise meets the definition of an employee except for the number of hours worked per week (defined by AB 1790).
<b>RAF &amp; Health Statement Guidelines:</b>	2 - 5 lives enrolled = automatic 1.10 RAF (no health statements necessary) 6 + lives enrolled = minimum .90 RAF (for 6 - 24 enrolling employees, full health statement required; for 25 or more enrolling employees, employer level health questionnaire required)
<b>Rating Areas:</b>	Rates are based on the employee's home zip code.
<b>Spin Off Rules:</b>	Standard underwriting rules that apply for start up groups also apply for spin off groups.
<b>Spouse Rules:</b>	Husbands and wives working for the same company must enroll separately as employees if the total group is comprised of just the two of them. They may enroll together, though, as a family or an employee plus spouse unit as long as there is at least 1 more enrolled employee with the group.
<b>Start Up Groups:</b>	Start up companies require a minimum of 6 weeks of payroll and must have been in operation for 45 days for guarantee issue coverage. Additional information may be required.
<b>1099 Workers:</b>	Sharp will allow 1099 employees to enroll under the following guidelines: 1099s must appear on prior carrier bill, they may only enroll at initial enrollment or at renewal, they must work 30 hours or more per week on a year round basis for the employer (20 if covering part time), they must have been employed long enough to have filed one tax return with the employer, employer must contribute the same amount for 1099's premium, must offer coverage to all future 1099s, and no more than 25% of group may compensated on a 1099 basis. The 1099 Employee Verification form must be completed and submitted with a letter from the employer requesting to cover 1099 employees along with a copy of the 1099 employee's Form 1040 Schedule C and Form 1099 Misc. for the prior tax year.
<b>Union Carve Outs:</b>	Standard carve out rules apply for union vs. non-union carve out.
<b>Waivers:</b>	Valid waivers include other group sponsored coverage through another employer, Medicare, Medi-Cal and veterans coverage. Cobra and retiree coverage are not considered valid waivers. THIS IS A SUMMARY ONLY OF SELECT CARRIER GUIDELINES AND IS NOT TO BE RELIED UPON AS A COMPLETE REPRESENTATION OF EACH CARRIERS' UNDERWRITING GUIDELINES OR POLICY CONTRACTS. PLEASE CONSULT ACTUAL CARRIER GUIDELINES OR EVIDENCE OF COVERAGE/CERTIFICATE OF COVERAGE FOR A FULL DESCRIPTION OF UNDERWRITING PROCEDURES AND PLAN PROVISIONS.