

Agents Field Underwriting Guidelines

Underwriting Guidelines for groups with a 1/1/2021 effective date or later

Eligible Employee

A person who works at least 30 hours per week, on average, in the conduct of the Group's business. The term includes owners, sole proprietors and partners who may not be actively at work. The term does not include employees, who work on a part-time, temporary, or substitute basis, who are contracted, leased or 1099 individuals, any employee, board member, director, relative, friend or associate who is not actively working full time.

Ineligible Employees

- 1) Contracted, leased or 1099 individuals are not eligible for group coverage, except when all of the below conditions have been met:
 - a) the group has a minimum of two W-2 Employee;
 - b) the offer of coverage is applied consistently and without bias or selection by the employer;
 - c) the 1099 contractor receives at least 80% of their annual income from the employer group; and
 - d) the total number of enrolled 1099 Subscribers comprise no greater than 50% of the total number of enrolled Employees.
- 2) Any employee, board member, director, relative, friend or associate, who is not actively working full-time in the employer's business for the required minimum number of hours per week are not eligible

Eligible Dependents

Legally married spouse or domestic partner, Natural born children, stepchildren, and legally adopted children to age 26. Disabled and dependent adult children age 26 and beyond may be eligible for coverage with proper documentation. Newborn infants of the Subscriber and legal Spouse or domestic partner are automatically covered for the first 31 days after the birth. Dependents may be added to coverage by submitting an application within 31 days from the date of the qualifying event.

Ineligible Dependents

- 1) Parents, grandparents, brothers, sisters, nieces, and nephews are not eligible dependents, unless legal guardianship is in effect.
- 2) Children beyond the age of 26 years are ineligible unless certified as a disabled eligible adult dependent.
- 3) Children for whom the Employee has temporary custody or for whom the Employee is acting as a foster parent are ineligible.
- 4) Dependents of an Employee who has elected not to be covered under the Employer's group coverage are ineligible.
- 5) Dependents of a covered dependent are ineligible. However, an exception is made when the dependent of a covered dependent is a grandchild who is under the age limit of the Certificate of Coverage and is also dependent of the Subscriber for federal income tax purposes at the time of application.

Participation Requirements

Small Groups and Hybrid Groups are required to a participation level of no less than 75%, Small groups may not have less than 2 employees for a period of 6 consecutive months. Hybrid groups may not have less than 2 employees for a period of 3 consecutive months.

Large groups who do not maintain a participation level of 65% will be subject to rate loads based upon participation:

Participation	Non-Virgin Groups	Previously Uninsured or Virgin Groups
65% and greater	0%	0%
40% to 64.9%	Up to 25%	Up to 50%
25% to 39.9%	Up to 67%	Up to 100%
<24.9%	Up to 100%	Up to 200%

Only employees enrolled in a spouse's group plan, Medicaid, ACA qualified Individual Plans, Medicare, Tricare, or Indian Health Services will be considered valid waivers to be excluded from the eligibility calculation.

Participation Requirements (Continued)

Groups with more than 50% of the group with valid waivers will require valid documentation to include copies of ID cards.

Contribution Requirements

Employer contributions should be equal to or greater than 50% of the Single or Employee Only Rate Tier for the lowest cost option.

