



SMALL GROUP UNDERWRITING REFERENCE GUIDE

PPO PLANS

- ▶ Subscribers are only eligible if they reside outside the Quartz service area.
- ▶ Group must have at least 80% of subscribers residing in the Quartz service area.

GROUP STRUCTURE

- ▶ Ownership rules need to be met for companies to apply for coverage together and / or combine population counts.
- ▶ Quartz Underwriting will rely on the employer to determine if it is a member of a controlled group. (Controlled group: All persons are treated as a single employer under (b), (c), (m), or (o) of section 414 of the IRS Code of 1986 and shall be treated as one employer.)
- ▶ Underwriting requirements for group structure –
 - ▶ Written communication from the group contact requesting the change; must notify Quartz within 30 days prior to the date of change.
 - ▶ If any employees are added or removed because of group structure changes, see group size change requirements.
 - ▶ If ownership structure is changing, then the group must provide proof of merger / acquisition / buy-out and proof of ownership.
 - ▶ Name changes and Tax ID changes require a new Employer Group Application.

GROUP SIZE CHANGES

- ▶ Groups that change their total participation by +/-10% due to layoffs or acquisitions are subject to underwriting rate review / adjustments as of the date of the size change.
- ▶ Eligible acquisition employees are required to fill out the appropriate application or waiver. Rating will be subject to the review of appropriate applications, including medical questions.
- ▶ Underwriting requirements for group size changes –
 - ▶ Written communication from the group contact requesting the change.
 - ▶ Employer Group Application.
 - ▶ If over 10% threshold, then subject to rating review requirements.
 - ▶ If ownership structure changes, then proof of merger / acquisition / buy-out and proof of ownership is required.

PROBATIONARY PERIOD

- ▶ Required to be 90 days or less (Quartz default is first of the month following 60 days).
- ▶ Off renewal changes require underwriting approval.
- ▶ Underwriting requirements for probate period changes –
 - ▶ Group must complete an Existing Group Change Form.
 - ▶ Probate changes must be made in advance of the requested effective date change.

FREQUENTLY ASKED QUESTIONS

- ▶ *What is the required contribution for Small Group ACA Plans?*
50% of single premium.
- ▶ *What is required as proof of merger/acquisitions/buy-out?*
Acceptable documentation includes a letter from the group stating that the change occurred, proof of sale, or articles of incorporation.

- ▶ *How many plans can a group have?*

To offer multiple plan options, the group must have two or more subscribers enrolled with active coverage. Groups must have at least one subscriber enrolled in each plan option. Plan options with no enrolled membership may be terminated by Underwriting at renewal (subject to Sales and Underwriting review). Groups must have a reasonable number of employees to support the number of plans requested –

Enrolled Subscribers	Plan Option Limit
2-9	2
10-19	3
20-50	4

- ▶ *What is accepted in lieu of a Wage and Tax?*

1. “C” Corporations – Any of the following: Articles of Incorporation, Form 1120, and Schedule E (illustrating officer’s compensation), Payroll.
2. “S” Corporations – Any of the following: Articles of Incorporation, Form 1120S and Schedule K, Payroll.
3. Partnership – Any of the following: Partnership Agreement (Articles of Partnership), Form 1065, Schedule K1 or Schedule SE, Payroll.
4. Sole Proprietor – Any of the following: Business license, Form 1040 with Schedule C or Schedule SE, Payroll.
5. Church – Any of the following: Form 941, Payroll.
6. Limited Liability Company (LLC) – LLC agreement, and depending on the state laws, may file a C Corporation or a Partnership.
7. Non-Profit – Quarterly Wage and Tax report. There are many forms that non-profit groups may file, underwriting requires the form the group files with the government.
 - ▶ If the business has been in existence less than one year and not filed a Quarterly Wage and Tax, Quartz will accept Corporation or Partnership papers; E.I.N. form; W-4s and a signed and dated employee census; or payroll records.
 - ▶ Farms – Single farmers that are not corporations or in partnership are required to submit Schedule F, itemization of line 24 , a signed and dated employee census and copies of W-2s for all employees.