
UNDERSTANDING THE BASICS OF SMALL GROUP UNDERWRITING

**ROGERS
BENEFIT
GROUP**

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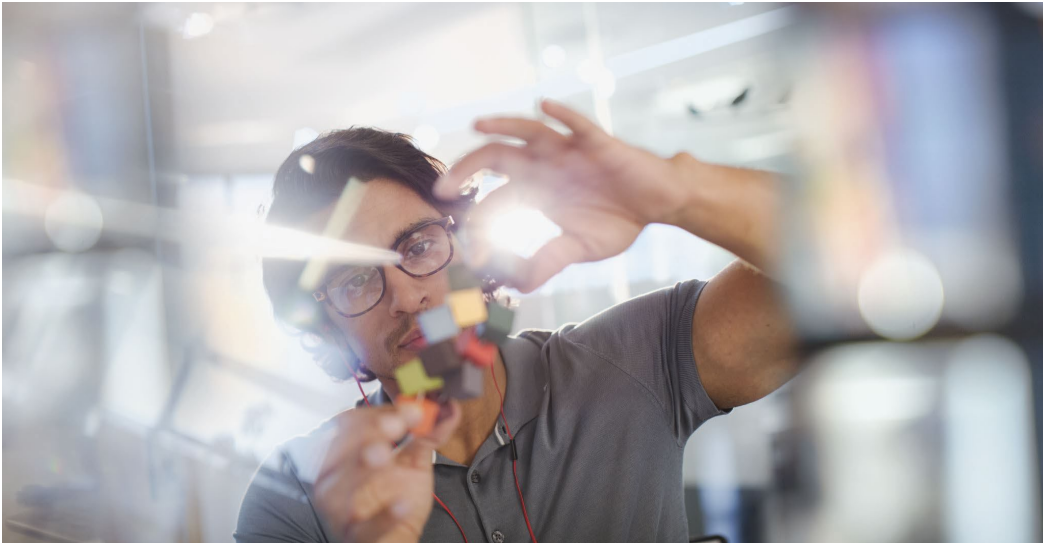
AGENDA



- General requirements of Small Group Underwriting.
- Eligibility requirements of Employers and Employees.
- Documentation requirements of a typical insurance submission.
- Commonly Referenced Topics i.e., carve-outs, husband/wife groups, 1099's, etc.

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HEALTH PLAN GENERAL REQUIREMENTS




What is a Small Group Employer?

- Must employ at least one “common-law” employee who is also an “eligible employee.”
- Must have employed 1 to 100 common-law employees on at least 50% of its preceding calendar quarter or calendar year.
- Must meet each carriers’ definition of In-State participation.

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HEALTH PLAN GENERAL REQUIREMENTS

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Dr. Shirley N. Weber
California Secretary of State

↑ About Business Notary & Authentications Elections Campaign & Lobbying State Archives Registries News Contact

Business Entities (BE) Business Search

Online Services

- File LLC Statement of Information
- File Corporation Statement of Information
- Business Search
- Publicly Traded Disclosure Search
- Current Processing Dates

Service Options

- Name Availability
- Forms, Samples & Fees
- Statements of Information (annual/biennial reports)
- Filing Tips
- Information Requests (certificates, copies & status reports)
- Service of Process
- FAQs
- Contact Information
- Resources
- Business Resources

This search provides access to available information for corporations, limited liability companies and limited partnerships of record with the California Secretary of State, with **free PDF copies** of imaged business entity documents, including the most recent imaged Statements of Information filed for corporations and limited liability companies.

Currently, information for limited liability partnerships (e.g. law firms, architecture firms, engineering firms, public accountancy firms, and land survey firms), general partnerships, associations, and other entity types are **not contained** in the Business Search. If you wish to obtain information about these entity types, download, complete, and submit a [Business Entities Records Request Form](#) to request copies of filings for these entity types.

Note: This search is not intended to serve as a name reservation search. For information on reserving a name, refer to [Name Reservations](#).

To conduct a search:

- Select the applicable search type.
- In the "Search Criteria" box, enter the entity name or number you wish to search. Note: If entering the entity number of a corporation, the number must begin with the letter C.
- Select the search filter you wish to use to locate the entity if searching for an entity name.
- Select the Search button.
- For help with searching an entity name or number, refer to [Search Tips](#).

All fields marked with an asterisk (*) are required.

Search Type *
 Corporation Name LP/LLC Name Entity Number

Search Criteria * Search Filter

Disclaimer: This tool allows you to search the Secretary of State's California Business Search database for abstracts of information for

Small Employer Eligibility Requirements

- Must qualify as a Small Employer.
- Must be actively engaged in a business or service.
- Must have and maintain applicable business license, permits, etc. allowing the company to conduct business in CA. <https://businesssearch.sos.ca.gov/>
- All employees must be covered by workers' compensation when required by law.

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HEALTH PLAN GENERAL REQUIREMENTS



Ineligible for Group Coverage

- Contract employees compensated on a 1099 basis.
- Seasonal, temporary, and substitute employees, defined as employees hired with a planned future termination date.
- Employees who do not reside in the U.S.
- Groups formed primarily for the purposes of obtaining health coverage.
- Carve Out groups.
- Owner Only groups*.

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HEALTH PLAN GENERAL REQUIREMENTS

Employee Eligibility Requirements

- Permanent employees who are actively engaged on a full-time basis in the conduct of the business of the small employer, 30 hours per week.
- Permanent employees working 20 – 29 hours per week if the employer offers coverage under the health benefit plan.
- Sole proprietors or partners of a partnership, if they are actively engaged on a full-time basis in the employer's business.
- Corporate officers who are actively engaged on a full-time basis in the employer's business.



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HEALTH PLAN GENERAL REQUIREMENTS



Contributions

- Percentage - Most carriers require 50% employer contribution for employees, 0% for dependents for the lowest cost plan being offered.
- Flat Dollar - Some carriers offer a minimum flat dollar contribution by employer for employee coverage. i.e. \$100/month.

HEALTH PLAN GENERAL REQUIREMENTS



Participation

- Each carrier has their own specific requirements regarding participation typically outlined in two different scenarios.
 - Sole Carrier i.e., 60% of eligible employees after valid waivers.
 - Dual Carrier- i.e., The greater of 5 enrolled or 25% of the enrolling population.
- Some insurance carriers have different participation levels based on number of eligible employees.
 - ex., Groups with 1 – 2 eligible employees: 100%. Groups with 3+ eligible employees: 70%.
- Valid Waivers - employees & dependents who obtain qualified health coverage through other sources typically do not count against participation requirements.

SUBMISSION REQUIREMENTS



Installation Documents

- Master Group Application
- DE9C/Payroll
- Employee Enrollment Forms/Elections
- Waivers
- Initial Premium Payment / ACH
- Other Forms Sometimes Required
 - Owner Partner Statement
 - Startup / PEO Exit
 - Submission Acknowledgement
 - Electronic Signature Acknowledgement

SUBMISSION REQUIREMENTS

EDD Employment Development Department
State of California

QUARTERLY CONTRIBUTION RETURN AND REPORT OF WAGES (CONTINUATION)

PLEASE TYPE THIS FORM PER INSTRUCTIONS ON REVERSE
You must FILE this report even if you had no payroll. If you had no payroll, complete Items C or D and P.

009C0111

DELINQUENT IF NOT POSTMARKED OR RECEIVED BY

YR QTR

EMPLOYER ACCOUNT NO.

DO NOT ALTER THIS AREA

P1 C T S W A

EFFECTIVE DATE
Mo. Day Yr. WIC

A. EMPLOYEES full-time and part-time who worked during or received pay subject to UI for the payroll period which includes the 12th of the month.

1st Mo. 2nd Mo. 3rd Mo.

Check this box if you are reporting ONLY Voluntary Plan DI wages on this page. Report PIT Wages and PIT Withheld, if appropriate. (See instructions for Item B).

C. NO PAYROLL D. OUT OF BUSINESS/NO EMPLOYEES
Date

E. SOCIAL SECURITY NUMBER F. EMPLOYEE NAME (FIRST NAME) (M.I.) (LAST NAME)

G. TOTAL SUBJECT WAGES H. PIT WAGES I. PIT WITHHELD

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G. TOTAL SUBJECT WAGES H. PIT WAGES I. PIT WITHHELD

Accounting for all Employees and Dependents

- Underwriters use the DE9c quarterly wage report or payroll to account for all employees.
- Minimum wage x 30 hrs/week x 13 weeks = full time.
- If employee has been terminated, provide the termination date on the DE9c or payroll.
- All eligible employees must either provide an enrollment form or waiver/decline of coverage form.

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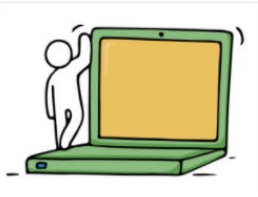
COMMONLY REFERENCED TOPICS

RESOURCES

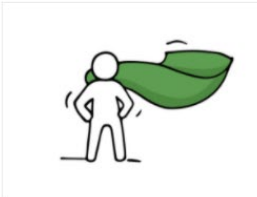
Grow, educate, and impress your clientele.



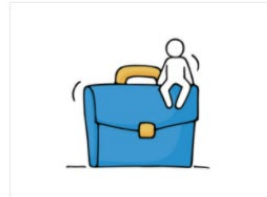
COVID-19 Info & Carrier Resources



Online Enrollment Services



Sales Tools



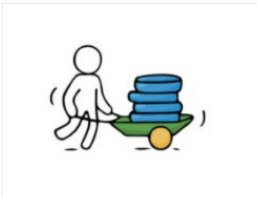
Underwriting Guidelines



Network Comparison



Submission Cut Off Dates



Commission Guides



Carrier Bonus Programs

- Carve-Out Criteria - Union vs. Non-Union typically allowed.
- Fifteenth of month effective date - typically not allowed.
- Husband and Wife only groups.
- Independent Contractors – 1099's.
- Minimum Wage Payroll Calculation.

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COMMONLY REFERENCED TOPICS



- Multiple Plan Options -
 - Package Specific
 - Network Specific
 - Metal Tiers
- New Hire Age Determination Rules.
- No DE9C UW Promotions.
- Out of State Guidelines.
- Owner Only Groups.
- PEO Groups.



RBG Small Group Underwriting Reference Guides

Cannabis Companies (updated 5/10/2021)
Carve-Out Criteria (updated 6/1/2021)
Fifteenth of Month Effective Date (updated 5/5/2021)
Husband and Wife Only Groups (updated 5/5/2021)
Independent Contractors – 1099s (updated 5/5/2021)
Minimum Wage Payroll Calculation 2021 (updated 10/30/2020)
Multiple Plan Options (updated 11/4/2021)
New Hire Age Determination Rules (updated 5/10/2021)
No DE9C Required (updated 11/4/2021)
Out of State Guidelines (updated 11/8/2021)
Owner Only Groups (updated 5/5/2021)
Participation and Wraps (updated 11/4/2021)
PEO Guidelines (updated 5/10/2021)
Spin-off Groups (updated 5/10/2021)
Start-up Groups (updated 5/7/2021)
Two Person Groups (updated 5/17/2021)
Valid Waivers (updated 9/14/2021)

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COMMONLY REFERENCED TOPICS



- Spin-Off Groups.
- Start-Up Groups.
- Submission Cut Off Dates.
- Two Person Groups.
- Valid Waivers.
- Waiting Periods.

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THANK YOU!!

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SAN JOSE

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