

NC Underwriting Guidelines

Category	Small Group 1-50	Extended Market 51-100
1099 Employees/Independent Contractors	Allowed. UHC 1099 form required. Note: The business must have at least one regular, taxed employee, or owner who is eligible for coverage. Tax documentation must be provided for the owner/employee to prove eligibility based on the type of company. The owner can complete the 1099 form but is required to submit the ownership documents for the business.	Allowed. UHC 1099 form required. Note: The business must have at least one regular, taxed employee, or owner who is eligible for coverage. Tax documentation must be provided for the owner/employee to prove eligibility based on the type of company. The owner can complete the 1099 form but is required to submit the ownership documents for the business.
Affiliates/Common Ownership	Companies that are affiliated (common ownership) and that are eligible to file a combined tax return for purposes of state taxation shall be considered one employer. The total number of FTEs of all companies combined will determine the rating structure of the group, regardless of whether all companies are requesting coverage.	Companies that are affiliated (common ownership) and that are eligible to file a combined tax return for purposes of state taxation shall be considered one employer. The total number of FTEs of all companies combined will determine the rating structure of the group, regardless of whether all companies are requesting coverage.
Billing Age Rule	Renewal rule- The member's age will be kept constant throughout the policy period to reflect the member's age at the beginning of the policy period. A new member's age will be set equal to his/her age at the coverage effective date.	Renewal rule- The member's age will be kept constant throughout the policy period to reflect the member's age at the beginning of the policy period. A new member's age will be set equal to his/her age at the coverage effective date.
Commission Structure	See Producer Performance Guides	Service Fee
Class Out	Not allowed	Allowed for the following: 1- Management/non- management 2- Salary/Hourly 3- Union/Non-Union
Common Law	Not recognized	Not recognized
Community Rated	Yes	No
Contribution	1-3 eligible require a 75% minimum 4+ eligible require a 50% minimum	Minimum 50% contribution required
Dependent Age Limits	Federal standard is Child (CH) to age 26 (no student requirement).	Federal standard is Child (CH) to age 26 (no student requirement).
Domestic Partner Coverage	Not Available	Available upon request
Effective Date Rules	Initial effective dates can be the 1st of 15th of the month. This may be maintained at renewal as well.	Initial effective dates can be the 1st of 15th of the month. This may be maintained at renewal as well.
Eligibility	Sole Proprietor, partnerships, owner and owner's spouse, and owner only groups are not eligible. See One Life Groups category below.	
Full Time Hours	Employer cannot set full time hours to be more or less than 30	Minimum =30 Maximum = 40 Underwriting approval needed below 30
Multichoice / Dual Option	Multichoice: Yes- See MC packages. Can choose any number of plans within the same packages. Cannot mix plans from different packages	Multichoice: Yes - Groups can choose up to 5 plans

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New Business Underwriting Forms	<p>1 - 50 Enrollment Spreadsheet allowed in lieu of employee applications</p> <p>Competitor applications: No</p>	<p>Enrollment Spreadsheet Allowed for Install when Employer Form or GRA Underwriting applies [Enrollment Forms completed and maintained by Broker or Employer.]</p> <p>Individual applications required when GRA Underwriting does not apply</p>
One Life Groups	<p>Allowed - Requires one common law employee. See rules below: In order to qualify as a “group health plan” under ERISA, an employer must have at least 1 common law employee that is <u>eligible and enrolled</u> in addition to an owner and the owner’s spouse.</p> <ul style="list-style-type: none"> • <u>Partnerships or Limited Partnerships</u>: If only partners and their spouses are covered, they are not a group health plan unless there is at least 1 other common law employee <u>eligible and enrolled</u> in coverage. • <u>Partnerships where only the partners their spouses are covered</u>, are <u>not</u> a group health plan, unless there is another common law eligible and enrolled employee covered under the plan. • <u>Corporations (S or C) or LLCs</u>: Two owners who are not spouses, qualify as a group health plan in all cases, <u>if</u> at least one of the owners can document that they are <u>actively working and must enroll</u>. • <u>Marriage</u> is a matter of state law, and would include civil unions as allowed by state law. Domestic partners who are not married and individuals who are legally divorced are not considered “spouses” for purposes of applying this Rule. • <u>Sole Individual Owner/Proprietor</u>: When the owner is just the individual or the individual and his/her spouse, <u>it is not a group health plan unless at least 1 other common law employee is enrolled in the plan</u>. (It does not matter if the business’ legal tax structure is an LLC or other Corporation). • <u>Children</u> of the sole owner may be the other common law employee, so long as s/he is <u>over the age of 18</u> (i.e., no longer a minor child per state law) and is <u>enrolled for coverage</u> under the terms of the employer-sponsored plan. 	N/A
Participation Floor	25% (Eff 5/1/2020)	Does not apply
Participation Guidelines	<p>25% of all eligible- waivers do not apply (eff 5/1/2020)</p> <p>Persons covered under a health benefit plan pursuant to COBRA are not considered “eligible employees” for the purpose of minimum participation requirements and should not be included when calculating participation</p>	<p>Eligibility – No Floor</p> <p>Participation – Will impact rating level [no participation requirement]</p>

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Retirees	No retiree coverage	Yes. Pre-65 early retirees are eligible until Medicare eligibility
Same Sex Marriages	Allowed	Allowed
Small Employer-State Definition / Counting Methodology	Counting Methodology = FTE 1-50 average employees on business days in previous calendar year, majority of whom live in North Carolina. If employer was not in existence during entire preceding calendar year, base on number of employees reasonably expected to be employed on business days in current calendar year	Counting Methodology is Full Time Equivalent
Waiting Periods	§ None [Days or Months, DOE or FOMF] § 1-90 Days Date of Event Administration [DOE] § 1-60 Days First of Month Following Administration [FOMF] § 1 or 2 Month(s) DOE or FOMF Administration	§ None [Days or Months, DOE or FOMF] § 1-90 Days Date of Event Administration [DOE] § 1-60 Days First of Month Following Administration [FOMF] § 1 or 2 Month(s) DOE or FOMF Administration
Waivers	N/A	N/A