



**CRYSTAL RUN HEALTH INSURANCE COMPANY, INC. ("CRHIC")
AND CRYSTAL RUN HEALTH PLAN, LLC ("CRHP")**

2015 SMALL GROUP UNDERWRITING GUIDELINES

The following underwriting requirements apply to all applications and renewals of coverage for Crystal Run Health Plan, LLC and Crystal Run Health Insurance Company, Inc.:

A. Group Size Requirements: To be eligible for small group coverage, a group must have a physical location within the service area and have at least 1 but not more than 50 eligible employees in the State of New York. (See Sections B. and C. for eligible/ineligible employee definitions.)

The following do not count towards group size:

- Persons whose pay is reported on a 1099 if they do not meet the definition of an employee under section 4235(d) of the Insurance Law;
- Former employees covered through COBRA or state continuation;
- Individual proprietor and/or spouse with no other employees. (For purposes of group size, spouses of owners are not considered employees even when on payroll).

B. Eligible Employees and Eligible Former Employees who can enroll:

- Employees of employer and all subsidiaries or affiliates of an employer who work 20 or more hours per week and are eligible for health benefits through employer's group health plan;
- Business owners of a group who work at least 20 hours per week for a business that meets the group size requirements in A., above, where such owners provide tax forms or other official documentation to confirm their status;
- Elected public officials of a county, municipality or school district for municipal groups;
- Former employees eligible for COBRA or state continuation can be enrolled under the conditions and for the period allowed by law.

- Provided employer offers retiree benefits, all eligible retired former employees can be enrolled.

C. Ineligible Employees:

- Any person whose pay is reported on a 1099, unless the person meets the definition of an employee under New York Insurance Law section 4235(d);
- Any leased employee or co-employee of a Professional Employer Organization (PEO) or Employee Leasing Company (ELC) unless the PEO agreement makes the leasing employer responsible for health benefits;
- Any seasonal or temporary employee, unless that person meets the definition of an employee under New York Insurance Law section 4235(d);
- Any former employee who is covered through retiree benefits, COBRA or state continuation (except as provided in B., above);
- Any employee working less than 20 hours per week;
- Any employee who has not met their employers benefit waiting period;
- Foreign employees covered by their country's government health insurance or who do not live, work or reside in the United States;
- Retiree only and/or COBRA/state continuation only groups are not eligible.

D. Other Conditions:

- Valid Employer Classes: An employer may elect to offer coverage to a class of employees based on conditions pertaining to employment: geographic location of employment, method of compensation, hours (as long as greater than 20 per week) and occupational duties.
- Dependent coverage: See the Certificate of Coverage for rules applying to adoptive newborns and, when covered, domestic partners. When different last names, spousal or dependent coverage require a Federal 1040 form, or marriage or birth certificate, as applicable.
- For CRHP HMO there is no participation requirement but the group must have one (1) active employee.

E. Out-of-Area: Out-of-area (OOA) enrollment is not allowed. Eligible employees must either live, work or reside in a county where CRHP or CRHIC offers products.

F. Multiple Plan Design Rules:

- Multiple plan design options can be offered as point of enrollment (POE) or by class distinction (e.g., Salaried vs. Hourly).
- Rating tiers, Domestic Partner, Family Planning, and Age 29 are the same for all products;
- Additional rules apply to CRHIC, see Section H.

G. Documentation Requirements: If the below required documents are not provided within the required timeframe, the group will be denied enrollment. Crystal Run Health Plans may audit groups as part of the renewal.

Required documents:

- Group Application
- Eligible waivers (required for all new business, for renewing groups, and for groups renewing into a new market segment).
- Quarterly Combined Withholding, Wage Reporting and Unemployment Insurance Return Form (NYS-45) or, for new employees only, a W-4 or payroll stub. If no NYS-45:
 - If C corp: Articles of incorporation, form 1120 (line 13 is wages) and payroll documents;
 - If S corp: Articles of incorporation, form 1120S (line 8 is wages) and payroll documents;
 - If LLC: LLC agreement and form 1120 and payroll documents;
 - If Partnership: K-1 or Form 1065 (line 9 is wages) and payroll documents and business license;
 - If a Church,: Form 941 (line 2 is wages) and payroll documents;
 - Businesses less than one year old: Corporation or Partnership papers and payroll documents.

Additional documentation may be required upon audit.

H. THE FOLLOWING APPLIES TO CRHIC EPO AND PPO PRODUCTS

Minimum Participation

During a November 15 through December 15 Open Enrollment Period, the minimum participation requirements below will not apply to new groups applying for healthcare coverage.

Otherwise, minimum 75% participation of eligible employees after valid waivers. (Valid waivers include Spousal, Domestic Partner, Parental, Medicare, Medicaid, QHP, EPP, Tricare and CHAMPVA Coverage.)

In the case of eligible retired former employees, the number of retirees both participating and eligible would be added to the above formula. COBRA or state continuation former employees would not be counted as either participating or eligible. All employees eligible under Section B are counted as eligible whether or not they meet the group’s requirements for health coverage eligibility.

EXAMPLES:

Both of these scenarios would meet CRHIC minimum participation requirements:

	Sole Carrier	%	Dual Carriers	%
Enrolled in CRHIC or CRHP	15		10	
Enrolled with another carrier	0		25	
Waived Coverage – Valid	5		5	
Waived Coverage – Not Valid	5		5	
Total Eligible (under Section B, excludes ineligible)	25		45	
Total Enrolled CRHIC or CRHP	15	75.0%	10	25.0%
Total Enrolled Second Carrier	0	NA	25	63.5%
Total Enrolled Both Carriers	15	75.0%	35	87.5%
Total Eligible less Valid Waivers	20		40	