

UNDERWRITING GUIDELINES

The following underwriting guidelines must be met for Oxford Health Insurance, Inc. or Oxford Health Plans (NJ), Inc. ("Oxford") to accept this Application:¹

- A. Coverage Effective Date: Any effective date of coverage may be selected as long as all information is received by Oxford on or before the requested effective date. If the initial effective date is on the first of the month, the group will renew on the first of that same month every year. If the initial effective date is after the first of the month, the renewal date will be on the first of the following month (e.g. if the group is effective November 2, the group will renew on December 1 of the following year).
- B. Small Group Employer Contribution: The small group employer must contribute at least 10 percent toward the total group premium. See Section H (Open Enrollment Period – New Business).
- C. Class Carve Outs: Class carve outs are allowed as long as the small group employer is not sponsoring another plan for the excluded employees/classes.
- D. Options: Plan design options will be limited to four plan options.
- E. Employee Location: A majority of a small group employer's eligible employees need not be employed within the State of New Jersey. Eligible employees must live, work or reside in the Oxford service area.²
- F. Small Group Employer Definition: To qualify as a small group, the employer must be actively engaged in a business that employed an average of at least one but not more than fifty (50) "eligible employees" on business days during the preceding calendar year; and employs at least one eligible employee on the first day of the plan year. In the case of an employer that was not in existence during the preceding calendar year, the determination of whether the employer is a small group or large group employer shall be based on the average number of employees that it is expected that the employer will employ on business days in the current calendar year.
 - "Eligible employee" means a full-time employee who works a normal work week of 25 or more hours. Eligible employees excludes sole proprietors, a partner of a partnership, independent contractors, spouses and employees who work less than 25 hours a week, employees working on a temporary or substitute basis, or employees participating in an employee welfare arrangement pursuant to a collective bargaining agreement. If the employer does not satisfy this definition, the employer may satisfy the federal small group employer definition (see 45 CFR 155.20).
 - Spouse Exclusion: An individual business owner and his or her spouse (typically known as "sole proprietors"), when there are no other eligible employees are not counted towards group size. To qualify as a "small group employer," at least one other person must be employed and eligible for coverage under the employer's plan. The employee does not have to accept the coverage offered, so long as the employee is eligible to select coverage under the terms of the employer-sponsored plan. For example:
 - A business owner and his or her spouse are not considered a group of one (1) and will need to purchase individual coverage.
 - For purposes of determining the existence of a small group, spouses are not considered employees even if they are on the payroll.
 - Partnerships – there must be one employee eligible for coverage under the plan for a partnership to be considered a small group. (A group where only the partners and their spouses are covered, without an eligible employee, is not considered a small group).
 - Corporation, LLC, S Corp or C Corp – an eligible employee is not required for the corporation to be considered a small group if the corporation has at least two owners who are not married.

¹ These guidelines may be updated from time to time and are subject to regulatory approval.

² The Oxford service area includes New Jersey, Connecticut and certain New York counties (Ulster, Sullivan, Dutchess, Orange, Putnam, Rockland, Westchester, Bronx, New York, Queens, Kings, Richmond, Nassau and Suffolk). Eligible out-of-area employees may enroll onto New Jersey EPO and PPO plan designs.

- G. Participation: 75 percent of the small group employer's eligible employees must be enrolled (i.e., participate) in an Oxford product. The minimum 75 percent employee participation will not apply to new groups applying for coverage during open enrollment. See Section H (Open Enrollment Period – New Business). Exceptions may apply. Contact your Account Executive for details.
- 75 Percent Participation Calculation: In establishing the percentage of employee participation, a one-to-one credit shall be given to each employee covered by a group health plan offered by a spouse, parent, or another employer, Medicare, Medicaid, NJ FamilyCare, or other Federal or State sponsored health plan.
 - Valid Waivers: Employees with coverage under a Group Health Plan offered by a spouse, parent, or another employer, Medicare, Medicaid, NJ FamilyCare, Tricare or other Federal or State sponsored Health Plan, are counted as if they are participating in the Oxford product for purposes of calculating the 75 percent participation (i.e., are counted as a valid waiver). Products purchased through the exchange/marketplace do not count toward the 75 percent participation (i.e., are not counted as a valid waiver).
 - Examples: A small group has five eligible employees, and three of those employees each have coverage under their spouse's group plan. The three employees are to be included in the count for the number of enrolling employees when determining the participation percentage. The employees with coverage under a spouse's plan are considered to have health coverage and, therefore, count toward the employee participation. In this way, a group is not penalized if they have employees covered by a group health plan offered by spouse, parent, or another employer, Medicare, Medicaid, NJ FamilyCare, Tricare, or other Federal or State sponsored Health Plan (including Tricare).
- H. Open Enrollment Period (New Business): From November 15 through December 15, for an effective date of January 1 the following year. The minimum 75 percent employee participation and 10 percent employer contribution requirements will not apply to new groups applying for coverage.
- I. Documentation Requirements:
1. Group Application
 2. The New Jersey Wage Reporting (WR-30) Tax Form, the Small Employer Health Benefits Waiver of Coverage (Exhibit T). W4s will be accepted only for employees employed less than two weeks.
 3. Employer Certification and HSA Certificate of Understanding.
 4. Additional documentation may be required upon audit.
- New groups have five business days from the date the group is pended to submit any outstanding required documents. If documents are not provided as required, the group will be denied coverage/terminated.
- J. Rates: Final rates are based on final enrollment by plan design.
- K. Renewal Requirements: Recertification of employee participation must be met one day prior to the effective date. Valid waiver forms are not required upon renewal. The Employer Certification must be submitted prior to renewal.

We reserve the right to audit groups that do not respond to requests for information and to terminate groups either on the basis of audit results or in the event that necessary information is not provided on a timely basis.