

# HEALTH INSURANCE FOR SMALL BUSINESSES

## N.C. SMALL EMPLOYER GROUP HEALTH COVERAGE REFORM ACT

*Disclosure Form Required by NCGS 58-50-130(d) and Title 11 NCAC 12.1304(g)*

The North Carolina Small Employer Group Health Coverage Reform Act was passed by the state legislature to help small employers provide health insurance for their employees. The Act applies to firms with forty-nine (49) or less employees, including self-employed individuals.

Some important features of the Act are:

- Guarantees the availability and renewability of coverage for small employers.
- Provides 12-month initial and renewal rate guarantees, unless the composition of the group changes by twenty percent (20%) or more or benefits are changed.
- Restricts to 12 months - the period in which a pre-existing medical condition can be excluded from coverage.
- Allows insurance companies to offer basic, lower cost benefit packages.
- Provides for continuity of coverage for pre-existing medical conditions when an individual goes from one job to another.

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I certify that the following agent/representative has explained to me that the Insurance Company to which my firm is applying for group insurance must make available to my firm the STANDARD, BASIC, and in some cases, the STANDARD PREFERRED PROVIDER ORGANIZATION (PPO)\* group health insurance plans as prescribed by the Small Employer Health Coverage Reform Act, providing, that my firm as defined in the Act, is a small employer.

Small Employer

Agent/Company Representative

Company name \_\_\_\_\_

Name \_\_\_\_\_

Authorized name \_\_\_\_\_

Signature \_\_\_\_\_

Authorized signature \_\_\_\_\_

Date \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

*This signed disclosure statement must accompany the group insurance application being submitted to the insurance plan being applied for, with a copy given to the small employer applicant.*

*\*The Standard PPO Group Health Benefit Plan is available to small employers located in areas in which an indemnity carrier has contracted with, or established, a provider network and in which the indemnity carrier currently markets PPO products to small employers.*

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