

COMMON OWNERSHIP/AFFILIATED COMPANIES

Carrier	Guidelines
	Underwriting will consider accounts with ownership or effective control of greater than 50% for combined rating; however, IRS rules must be followed to determine whether a group is small or large for market reform and MLR and for determination of Medicare primary liability. Companies with common ownership are considered a single group if the companies fall under the definition provided under the Health Insurance Portability and Accountability Act (HIPAA). HIPAA states that all persons treated as a single employer under subsection (b), (c), (m), or (o) of section 414 of the Internal Revenue Code shall be considered as one employer. If they are not considered as one employer, then they must be insured/covered separately. It is the group's responsibility to establish with us whether a control group exists by submitting a signed Common Ownership attestation validating common ownership of all companies involved. Documentation can be submitted before the case submission. Underwriting will make the final determination about whether or not there is one responsible employer
	Prominence - Employers with more than one business under common ownership are required to enroll as one group, as an affiliate company under a control group. Common ownership requires the combination of Employer groups for rating and regulation purposes, including ACA requirements. An Employer may not choose to sub-divide the total affiliated companies into Small Group segments. Thus, more than one Small Group, if affiliated with another group, may qualify as a Large Group if there are greater than 50 full-time eligible employees, including full-time equivalents. All employees of a controlled group or an affiliated service group are to be taken into account (Under §414 (b), (c) or (m) of the Internal Revenue Code) as one employer group. Proof of common ownership, such as an "Affiliation Schedule" (IRS Schedule 951) or other evidence of common ownership may be required

This guide has been created as a quick reference and does not replace the full underwriting guidelines published by each carrier
Please refer to the carrier guidelines for additional information