

### Small Employer Status

In order for us to issue and maintain your group health policy in accordance with state law, we need to know if you qualify as a **Small Employer**. Accordingly, you must complete, sign, and return this form to our company.

### Eligible Employee Definition

An **Eligible Employee** is an employee who is regularly scheduled to work for a Small Employer on a full-time basis, having a normal work week of 30 or more hours, except that at the sole discretion of the employer, the term may include an employee who works on a full-time basis with a normal work week of between 20 and 40 hours as long as this eligibility criteria is applied uniformly among all of the Small Employer's employees.

The term **Eligible Employee** includes a sole proprietor, a partner of a partnership, or an independent contractor, if included as an employee under a health care plan of a Small Employer, but does not include an employee who works on a part-time, temporary, or substitute basis. Work must be at the Small Employer's usual place or places of business or at another place to which an employee must travel to perform his or her regular duties.

The term **Eligible Employee** will also include seasonal employees with a normal work week of 30 or more hours, provided the seasonal employee works at least three months per year but less than nine months per year.

### Small Employer Definition

A **Small Employer** is a person, firm, corporation, partnership, or bona fide association which:

- is actively engaged in business; and
- employed an average of at least two but not more than 50 Eligible Employees on business days during the preceding calendar year; and
- employs at least two Eligible Employees on the Date of Issue of the Group Policy and on each subsequent Policy Anniversary.

If you have people on your plan who have terminated employment, yet remain covered under your plan because of state or federal (COBRA) continuation, do not count them. Companies that are affiliated or file a combined tax return for purposes of state taxation must be considered one employer.

### Small Employer Qualification Statement

Does your group meet the definition of Small Employer?       yes       no

I understand that a **Qualification Statement** may be required prior to each renewal as a condition of renewal as a Small Employer group.

I understand that if our group qualifies as a Small Employer group under Montana law at the time of this qualification, the provisions of the law will continue to apply to our group until the next policy anniversary, even if our group ceases to qualify as a Small Employer group prior to that date.

\_\_\_\_\_  
Name of firm

\_\_\_\_\_  
Employer's signature

\_\_\_\_\_  
Account number

\_\_\_\_\_  
Date

\_\_\_\_\_  
Employer's title