

Verification and Statement of Understanding for Small Employers (1 to 50) Purchasing a Blue Shield Health Plan

Employer Name: _____

Group Contract/Policy #: _____ Effective/Renewal Date: _____

Blue Shield health plans offered by Blue Shield of California cannot be paired with any form of a “wrap plan.” Underwriting participation criteria for all Blue Shield health plans prohibits the pairing of its plans with a wrap plan at any time.

A “wrap plan” includes any employer-sponsored plan that is:

- (1) paid for or funded in whole or in part by the employer and/or the employee;
- (2) (a) provides reimbursement for health plan deductibles, copayments, coinsurance, or medical expenses, or
(b) provides for the payment of set amounts in the event of hospitalization.

Examples include: an employer-funded flexible spending account (FSA), a health reimbursement account (HRA), self-funding of the deductible, an IRS Section 105 plan, a medical expense reimbursement plan (MERP), or a hospital confinement policy. As defined herein, a wrap plan does not include a health savings account (HSA) or employee-funded general purpose flexible spending account (FSA).

In issuing/renewing the group contract/policy, Blue Shield relies upon the verification made in this statement that no wrap plan will be paired with any Blue Shield health plan. Blue Shield may cancel the group contract/policy if such arrangement exists at any time now or in the future and for any misrepresentation or omission made in this verification.

Employer Verification:

- Employer verifies that no wrap plan (as defined in this verification) will be used in conjunction with any Blue Shield health plan, now or in the future.
- Employer understands that if at any time it uses a wrap plan (as defined in this verification) with a Blue Shield health plan, its group contract/policy may be cancelled.

Signed and Agreed:

Signature of Company Officer or Business Owner

Print Name and Title

Date

Broker Verification:

- Broker verifies that he/she has advised Employer of the prohibition set forth above.
- Broker further verifies that he/she is not personally aware that Employer has or is planning to use a wrap plan arrangement with a Blue Shield health plan.
- Broker verifies that he/she has not advised and will not advise Employer to enter into a wrap plan arrangement (as defined in this verification) if such arrangement could be used with a Blue Shield health plan, now or at a later date.
- Broker understands that any misrepresentation or omission made to Blue Shield regarding this Broker verification could be cause for termination of the Producer Agreement and any commissions.

Signed and Agreed:

Signature of Broker

Print Name

Date