

WELCOME

NEW AND RENEWING FIRMS

As a active member of this Exchange/Association your company is eligible to enroll in this exclusive group insurance program contracted through the North Bay Builders Exchanges (NBBE). Our program is available to all of our members from sole proprietors to members with large numbers of employees. We are proud to offer a comprehensive employee benefit program, including medical, dental, vision, life, chiropractic/acupuncture and disability income plans, exclusively to you, our partners in the construction community. By offering Class A carriers and unique plan flexibility, we are able to develop a benefit program for your company.

Our relationship may begin with a product analysis to help you identify the best plans for your company. Our service does not end with plan selection. We stay with you to assist with the day-to-day administration of your benefits program. We are your one-stop employee benefits choice. Small or large, we can customize a benefit solution that meets your specific company needs. Not only will your company benefit from our exceptional service, but a strong benefit program will also help you attract and retain the best employees.

All of the benefits that you choose to enroll in via this program will be billed to your firm on one single monthly bill, simplifying your benefit package. If you are a member already participating in our program, this booklet will provide you with information for our new plan year that starts April 1, 2009. Remember, if you don't find what you are looking for give us a call, we are here to help.

We look forward to partnering with you.

A STATEMENT ABOUT OUR RATES

With the growth of our program and the addition of more Exchanges and Associations to our NBBE group, we are now publishing the rates in separate booklets. The Exchange/Association feels that this will further enhance our services by allowing you, our member firms participating in the program to have access to rates for all of your owners/employees no matter where they may live. For a booklet of our rates or better yet, for a personalized quote, please contact your Exchange/Association Benefits Consultant. *The published rates contain a 5% administration fee.*

IMPORTANT INFORMATION FOR NEW FIRMS ENROLLING IN OUR PROGRAM

All eligible member firms must be in business a minimum of one full calendar quarter and submit a DE-6 or appropriate ownership paperwork upon enrolling. Eligibility of owners and employees is determined based on your most recent DE-6, proof of payroll, or other accepted official ownership documents. Wage information is required to determine eligibility of part-time, temporary or seasonal employees. **Some restrictions apply.**

YOU MAY ENROLL IN THIS GROUP PROGRAM:

If you are a firm enrolling 1 or 2 Owners and Employees

- During the first 60 days after meeting a 365-day (1 year) waiting period from your membership effective date; or
- During Open Enrollment (February/March) for an April 1 effective date if the 365-day waiting period has been met

If you are a firm enrolling 3 or more Owners and Employees

- During the first 60 days after your membership effective date; or
- During Open Enrollment (February/March) for an April 1 effective date; or
- During the first 60 days when changing carriers; or
- Within 60 days of no longer being subject to a collective bargaining agreement

If you are a firm enrolling 6 or more Owners and Employees

- During the first 60 days of changing carriers; or
- Offering Group coverage for the first time; or
- During Open Enrollment (February/March) for an April 1 effective date

All of our group plans are guaranteed issue except the Optional Life and Disability Income. No one can be denied coverage contingent upon true and accurate representation on the enrollment application. Most of our group rates are based on the age of the enrollee and home zip code. Additionally, the medical plan rate tier assigned to each firm is based on underwriting by the medical carrier. The rate tier assigned at initial processed enrollment or at Open Enrollment is the rate for the firm for the entire plan year (April 1 - March 31).

Medical Age Change Policy: As the owner/employee enters the next age bracket, the rate will change on the first of the month following his/her birthday or the current month if the birthday falls on the first of the month.

GROUP REQUIREMENTS

OPEN ENROLLMENT AND ELIGIBILITY

Member firms who participate through their Exchange/Association in the NBBE Group Insurance plans must adhere to a number of adopted rules and procedures. The following participation rules have been updated to comply with current laws as well as sponsored insurance carriers and NBBE policies. Renewal of your firm's insurance at Open Enrollment requires some paperwork on your part. This is required to establish that you are actively conducting business in the state of California and that all of your eligible employees, if any, are enrolled. The following summarizes the choices we ask you to make on the 2009 Employers Request for Participation Agreement (page 33) regarding the benefit program for you and your employees.

- **Employee Waiting Period**

Each participating firm is required to designate a waiting period for new employees. Available options are the 1st of the month following date of hire, or the 1st of the month following 30, 60, 90, 120, 180 or 365 days of employment. All employees must be employed by the firm for that length of time before they are eligible to enroll. If an employee does not enroll upon satisfying the waiting period, he or she MAY NOT ENROLL until the next Open Enrollment or has a valid Qualifying Event. It is the employer's responsibility to submit the proper enrollment paperwork at least 15 days prior to the employee's effective date.

- **Employer Premium Contribution**

Each firm must choose a set contribution toward the medical premium. For employees, the minimum contribution allowed by law is 50% of the employee's premium and 0% towards any dependents. The employer may choose to pay up to 100% of the employee and dependent(s) premium or anything in-between. Any portion not being covered by the employer would be set-up as a payroll deduction. The program requires that the employer make a contribution selection for the new plan year and treat all employees equally.

- **Plan Selection**

Benefit choices to be offered to all employees are selected first by the employer on the Participation Agreement at the time of enrollment and must remain in effect until the next Open Enrollment period. Each employee selects a plan from the choices offered by the company. Adding or changing benefits may occur ONLY during Open Enrollment each year. All plans have the option to be offered on a "stand alone" basis (except Chiropractic/Acupuncture).

- **Medical Enrollment Required Percentages**

The required minimum participation is based on the firm size. Firms with one or two enrollees in medical have limited plan choices. Health Net requires participation percentages when offered alongside Kaiser Permanente. These percentages vary depending on your plan choices with Health Net.

- **COBRA Administration**

Each year we ask you to complete a COBRA Questionnaire so we may determine if you are a Federal COBRA firm, Cal-COBRA firm or not eligible for COBRA. COBRA is a federal law that applies to employers with 20 or more employees for more than 50% of the previous calendar year. If you are a firm employing 2-19 employees for more than 50% of the previous calendar year you are considered a Cal-COBRA firm which refers to the California State Cobra law.

- **Contract Year vs. Plan Year**

NBBE health plans are on a contract year, April 1 - March 31. Carrier benefits are paid on a calendar year basis, January 1 - December 31.

Important Information

- **Last Enrolled Employee Terminated**

Firms that terminate the last remaining enrolled employee in the middle of a plan year will remain active until the next renewal unless written termination of the firm is received. This means that during the current plan year, if a firm is in the process of hiring a replacement employee, the employee will be allowed to enroll after meeting the firm's waiting period. Once a firm is terminated, all participating COBRA/Cal-COBRA enrollees would also be terminated.

- **Previously Terminated Firms**

Firms that were terminated for non-payment or cancelled their medical, dental, vision, chiropractic/acupuncture or life coverage must wait a minimum of 12 months before they can re-enroll with any NBBE Exchange/Association Health Insurance Plan. Re-enrollment may only be done during an Open Enrollment period.

- **Non-Compliance**

Coverage for firms who do not return all required renewal documents by March 31, 2009 will be cancelled for non-compliance effective April 1, 2009.

MEDICAL ELIGIBILITY AND ENROLLMENT

There are some eligibility requirements for enrolling your firm in our medical plans. The following adopted rules and procedures have been updated to comply with current laws as well as sponsored insurance carrier and Exchange/Association policies.

Plan Limitations

Firms of 1 to 2 eligible owner/employees may select from the following plans:

- ◀ Health Nets's HMO Value 40 or Value HSA 3500
- ◀ Kaiser Permanente's Copayment Plan 20, 30, or 50, High Deductible 30/1000, HSA 0/1500, 0/2200 or 0/2700, HRA 30/1500 or 30/2500

Program Participation Requirements

100% Enrollment in a medical plan for 1 to 2 eligible owner/employee firms is required.

75% Enrollment in a medical plan for 3 or more eligible owner/employee firms is required.

Note: Those employees waiving due to coverage through another employer (i.e. spousal coverage) shall not be counted as eligible.

Medical coverage is provided through Kaiser Permanente and Health Net. Kaiser Permanente provides a family of HMO, HSA and HRA eligible plans, while Health Net offers several HMO, PPO, HSA, and the Options plans. Enrollees are not required to be in the same medical plan but there are minimum participation percentages when both Kaiser Permanente and Health Net are offered. The following percentages must be met at Open Enrollment for all firms offering both Kaiser Permanente and Health Net effective April 1, 2009.

RENEWING FIRMS

Participation in Health Net

60% Firms offering the following Plans

- Only Value HMO Plans

70% Firms offering 1 or more of the following Plans

- Standard PPO 40
- Value PPO 40
- Value HSA 1500
- Value HSA 3500

Participation in Health Net

75% & 6 or more active enrollees required with Health Net firms offering 1 or more of the following Plans

- Standard HMO 30
- Standard HSA 2000

Firms enrolling in the Options Plans

- Minimum of 5 active enrollees required with Health Net
- No additional Health Net specific participation required

NEW FIRMS of 1 - 9 eligible owner/employees

Participation in Health Net

75% Firms offering the following Plans

- Only Value HMO Plans

75% Firms offering 1 or more of the following Plans

- Standard PPO 40
- Value PPO 40
- Value HSA 1500
- Value HSA 3500

75% & 6 or more active enrollees required with Health Net firms offering 1 or more of the following Plans

- Standard HMO 30
- Standard HSA 2000

Firms enrolling in the Options Plans

- Minimum of 5 active enrollees required with Health Net
- No additional Health Net specific participation required

NEW FIRMS of 10 or more eligible owner/employees

Participation in Health Net

60% Firms offering the following Plans

- Only Value HMO Plans

70% Firms offering 1 or more of the following Plans

- Standard PPO 40
- Value PPO 40
- Value HSA 1500
- Value HSA 3500

75% & 6 or more active enrollees required with Health Net firms offering 1 or more of the following Plans

- Standard HMO 30
- Standard HSA 2000

Firms enrolling in the Options Plans

- Minimum of 5 active enrollees required with Health Net
- No additional Health Net specific participation required

RATES FOR APRIL 1, 2009

Health Net Rating

- ◆ **Firms with 1 - 5 owner/employees** enrolling in Health Net
 - Minimum of Tier I
- ◆ **Firms with 6 - 9 owner/employees** enrolling in Health Net
 - Minimum of Tier V and maximum of Tier I
 - Individual Health Questionnaires required (page 32)
 - Final rates determined by Health Net
- ◆ **Firms with 10 or more owner/employees** enrolling in Health Net
 - Minimum of Tier V and maximum of Tier I
 - Health Net Employer Health Statement is required (page 31)
 - Individual Health Questionnaires (page 32) are required for those reported on the Health Net Employer Health Statement
 - Final rates determined by Health Net

Kaiser Permanente Rating

All new firms to the program who do not have Kaiser Permanente currently in force will receive a rate tier based on the number of owners/employees enrolling.

- ◆ **Firms with 1 to 5 owner/employees** enrolling in Kaiser
 - Tier I
- ◆ **Firms with 6 to 15 owner/employees** enrolling in Kaiser
 - Tier III
- ◆ **Firms with 16 or more owner/employees** enrolling in Kaiser
 - Tier V

Additionally, if your company is coming to us from a current Kaiser Permanente plan, your firm will receive the rate tier equivalent to the existing tier.

The group rates are for April 1, 2009 through March 31, 2010. Both Health Net and Kaiser Permanente have set **5 rate tiers**. The medical carriers determine the rate tier for each member firm based on firm size and carrier underwriting. The medical rates for each enrollee are based on the owner/employees (enrollee's) age, residence zip code and if dependents are also being enrolled. The published rates for the NBBE group health plans include a 5% administration fee.

ADDITIONAL COVERAGE OPTIONS

ELIGIBILITY AND ENROLLMENT

DENTAL

Our dental plans are provided by **MetLife** and **Premier Access**. With both of these dental programs, you may go to any dentist but the best savings are when using a In-Network Dentist. There are 4 plans offered with each dental carrier, but **a firm can only offer one of these plans**. There are 3 rate tiers for the MetLife plans and 3 rate tiers for the Premier Access plans. The following tables show the percentage of eligible owners/employees needed to enroll your company in each plan.

MetLife				Premier Access			
Tier Rating	# Enrolled	Plans Available	Participation Required	Tier Rating	# Enrolled	Plans Available	Participation Required
Tier I Rates	1 - 5	Ortho Not Available Premier Standard Savings Plus	100%	Tier I Rates	1 - 9	Elite + Ortho Elite Freedom 1500 Freedom 1000	100%
Tier II Rates	6 - 9	Premier + Ortho Premier Standard Savings Plus	75%	Tier II Rates	10 - 34	Elite + Ortho Elite Freedom 1500 Freedom 1000	75%
Tier III Rates	20 +	Premier + Ortho Premier Standard Savings Plus	75%	Tier III Rates	35 +	Elite + Ortho Elite Freedom 1500 Freedom 1000	75%

VISION

We offer two carriers for vision coverage - **Blue View Vision**, a division of **Anthem Blue Cross** and **Vision Service Plan (VSP)**. Only one plan may be offered by a member firm. There are three options for firms offering vision coverage.

- **Stand-Alone plan** - 100% of all eligible owners and employees must enroll and valid coverage declinations are not accepted.
- **Match Medical** - Requires vision enrollment to match medical enrollment, including dependents, even if vision benefits are provided by the medical plan.
- **Voluntary plan** - Our new, individual Blue View Vision plan is available to any employee who chooses it, as long as a group vision plan is not in force. No participation percentage is required.

CHIROPRACTIC and ACUPUNCTURE

Our chiropractic and acupuncture coverage is provided by **American Specialty Health** and is available to firms with 2 or more enrolling owners/employees. Medical enrollment is required. There are two plans available, a chiropractic only plan, and a chiropractic plus acupuncture plan. You may select only one of these to offer. Enrollment in either plan must match the medical enrollment, including dependents.

BASIC LIFE

Our basic life coverage is provided by **Metlife**. This is a 100% employer-paid benefit, and 100% of all eligible owners/employees must enroll. If you are a firm with 1 - 5 owners/employees you may choose from one of three benefit levels (\$5,000, \$10,000 and \$25,000). In addition to these three benefit amounts, firms with 6 or more owners/employees may choose \$50,000 or a scheduled benefit plan based on position or the salary of each owner/employee.

OPTIONAL LIFE

Our Optional Life coverage is also provided by **MetLife**. Despite the name, this is individual coverage, 100% enrollee paid and it requires individual underwriting approval. Coverage up to \$300,000 is available to an owner/employee, not to exceed 5 times the enrollee's annual salary. An enrolled owner/employee's spouse can also be enrolled, with up to \$100,000 coverage, not to exceed 50% of the owner/employee's benefit level. An enrolled owner/employee's dependent children can be insured in increments of \$2,500 up to a maximum of \$10,000. There are no minimum participation percentages required.

DISABILITY INCOME

Disability Income is a benefit offered by **Metlife**. This is high quality Disability Individual Income Insurance plan available to owners and employees. Please note that medical and financial underwriting is required, and that this coverage is 100% paid by the enrollee and is billed directly by MetLife. There are no firm participation percentages required.

PROOF OF ELIGIBILITY

It is a carrier requirement to certify all member firms' eligibility. Through the collection of the following documents, we are able to verify that your firm is actively doing business in the State of California and everyone enrolled under your policy is either an active owner or active employee and all eligible owners/employees are enrolled. Submission of the following documents at initial enrollment and during the annual Open Enrollment period is required for participation in this program. We appreciate the time you spend gathering this material.

Open Enrollment designates a new contract year for all of our plans effective April 1st. All of our existing firms are required to complete renewal paperwork to continue coverage. If we do not receive the 2009 Participation Agreement along with the requested proof of eligibility, we will cancel your coverage as a 'non-renewal' effective April 1, 2009.

PROOF OF BUSINESS AND ELIGIBLE EMPLOYEES

1. When there are active employees, 1 or more of these documents are required:

- ◆ Most Recent DE-6
- ◆ 1st and most current Payroll Reports (only for new hires who are not listed on the most recent DE-6)
- ◆ W-2 List (when a DE-6 is not available)

2. When the owner(s) / officer(s) are not listed on the DE-6, acceptable proof includes:

Sole Proprietor (One Owner or Husband and Wife if both names are listed on the following)

- ◆ IRS Form 1040 Schedule C, OR
- ◆ Fictitious Business Name Filing, OR
- ◆ A California Business License

Corporation (Only one of the following is required)

- ◆ IRS Form 1120 (if all owners with percentage of stock owned is listed), OR
- ◆ Articles of Incorporation, filed with the State and listing all officers, OR
- ◆ Statement of Domestic Stock Corporation/Statement of Information

Partnership / LP / LLP (Only one of the following is required)

- ◆ IRS Form 1065 Schedule K-1 for all eligible owners, OR
- ◆ Statement of Partnership Authority (General Partnerships), OR
- ◆ Certificate of Limited Partnerships (LP), OR
- ◆ Registered Limited Liability Partnership Registration (LLP), OR
- ◆ Partnership Agreements (deemed acceptable per underwriter's discretion), OR
- ◆ Fictitious Business Name Statement showing both names, OR
- ◆ Tax certificate showing both names

Limited Liability Company

- ◆ IRS Form 1065 Schedule K-1, OR
- ◆ IRS Form 1120 (as long as all owners and percentage of stock owned is listed), OR
- ◆ Articles of Organization including the Operating Agreement, OR
- ◆ Statement of Information

Using the **Sample DE-6** numbers (next page), and the calculation notes, a Participation Agreement would be filled out like this:

16. Medical Eligibility Information:

The following questions should be answered using your attached DE-6 and/or owner/officer paperwork.

a.	Total number of owners/employees on payroll regardless of hours worked (on DE-6 + owners/new hires):	<u>7</u>
b.	Total number of ineligible employees in each of the following categories: Union: <u>0</u> Part-time <u>1</u> Seasonal: <u>0</u> Temporary: <u>0</u> Terminated: <u>1</u> Waiting Period: <u>0</u>	
c.	Total of all categories in question b:	<u>- 2</u>
d.	Total number of active, eligible owners/employees (a minus c):	<u>= 5</u>
e.	Number of owners/employees declining due to other group coverage:	<u>- 1</u>
f.	TOTAL ELIGIBLE (d minus e):	<u>= 4</u>
g.	Number of owners/employees enrolling in: Health Net: <u>3</u> Kaiser: <u>1</u> Total: <u>4</u>	75% Health Net for NEW firms with 1 - 9 enrolling regardless of plans selected 75% & a minimum of 6 enrolled with Health Net for any firm offering either Standard HMO 30 or HSA 2000
h.	Percentage of eligible enrollees in: Health Net: <u>75%</u> Kaiser: <u>25%</u> Total: <u>100%</u>	60% Health Net (.60 x 4 = 2.4, so 3 enrollees must have HN if HMO plans are offered, No PPO or HSA plans) 70% Health Net (.70 x 4 = 2.8, so 3 of the enrollees must have HN if any PPO or HSA [except HSA 2000] plans are offered) There is no minimum percentage if Health Net Options plans are offered as long as 5 or more owners/employees are enrolled


DE-6 DEFINED (including instructions on how to reconcile)

The DE-6 is the State of California Quarterly Wage and Withholding Report which contains the following information: employer name, employer address, employer ID number, social security numbers, employee names, total wages and total withholding. It establishes an employer-employee relationship by indicating what the employer paid to each given employee for a fiscal quarter. All firms must submit their most recent DE-6. Any DE-6 submitted by a firm that has completed its most recent DE-6 without using the form supplied by EDD or has supplied hand-written information may be required (at the discretion of the underwriter) to submit evidence of filing or alternate documentation such as filed ownership documents or payroll.


All DE-6's must be reconciled by indicating the current status next to each owner/employee. Please use the following codes:

- 'E' for **eligible** owner/employee and **enrolling** (indicate title if necessary)
- 'PT' for **Part-time** employees (under a minimum of 20 hours per week)
- 'T' for **Terminated** (include termination date)
- 'W' for **Waiving** coverage by an owner/employee who is eligible & has no other coverage (attach a waiver/declination form)
- 'OC' for those with **Other Coverage** by another carrier group plan (attach a declination along with proof of the group plan)
- 'I' covered by an **Individual** plan (attach a declination). This person still counts towards 'eligible'
- 'S' **Seasonal** employee (employee must not appear on 2 or fewer consecutive DE-6's to be deemed seasonal)
- 'Temp' **Temporary** employee, not eligible for coverage
- 'WP' for employees in their **Waiting Period**

Sample DE-6 Report



QUARTERLY WAGE AND WITHHOLDING REPORT
PLEASE TYPE THIS FORM PER INSTRUCTIONS ON REVERSE
You must FILE this report even if you had no payroll. If you had no payroll, complete Name, C or D and F.



00060198

Page number _____ of _____

QUARTER ENDED **03/31/2005** DUE **04/01/2005** DELINQUENT IF NOT POSTMARKED OR RECEIVED BY: **05**

EMPLOYER ACCOUNT NO. **12345678**

Berry Valor
Valor Enterprises
123 Health Avenue
Los Angeles, CA 92069

DO NOT ALTER THIS AREA

P I O T S W A

EFFECTIVE DATE: Mo. Day Yr. WIC

A. EMPLOYEES full-time and part-time who worked during or associated pay subject to UI for the payroll period which includes the 12th of the month.

1st Mo. 2nd Mo. 3rd Mo.

7 6 7

Check this box if you are reporting ONLY Voluntary Plan D1 wages on this page. Report PIT Wages and PIT Withheld, if appropriate. (See instructions for Item B.)

NO PAYROLL OUT OF BUSINESS/FINAL REPORT

E. SOCIAL SECURITY NUMBER	F. EMPLOYEE NAME (FIRST NAME)	(M.I.) (LAST NAME)	
123456789	Ingrid	D Seymore	E - HN VALUE HMO 30
G. TOTAL SUBJECT WAGES		4839.00	H. PIT WAGES
			I. PIT WITHHELD 106.37
111223333	Maury	C Feelgood	E - K 20
G. TOTAL SUBJECT WAGES		3454.65	H. PIT WAGES
			I. PIT WITHHELD 32.66
222334444	John	S Wayne	E - HN VALUE HMO 20
G. TOTAL SUBJECT WAGES		4460.00	H. PIT WAGES
			I. PIT WITHHELD 36.50
555555555	Jerry	C Kennedy	T - 11/2/07
G. TOTAL SUBJECT WAGES		6846.34	H. PIT WAGES
			I. PIT WITHHELD 100.20
444332222	Irene	R Care	OC
G. TOTAL SUBJECT WAGES		287.86	H. PIT WAGES
			I. PIT WITHHELD 0.00
111332222	Albert	L Eason	PT
G. TOTAL SUBJECT WAGES		40.50	H. PIT WAGES
			I. PIT WITHHELD 0.00
555115555	Barry	K Valor	E - HN VALUE PPO 40
G. TOTAL SUBJECT WAGES		5663.74	H. PIT WAGES
			I. PIT WITHHELD 64.98
J. TOTAL SUBJECT WAGES THIS PAGE		25592.09	K. TOTAL PIT WAGES THIS PAGE
			L. TOTAL PIT WITHHELD THIS PAGE 340.71
M. GRAND TOTAL SUBJECT WAGES		N. GRAND TOTAL PIT WAGES	
		O. GRAND TOTAL PIT WITHHELD	

P. I declare that the information herein is true and correct to the best of my knowledge and belief.

Preparer's Signature _____ Title _____ Phone () _____ Date _____
(Owner, Accountant, Preparer, etc.)

DE 6 Rev. 4 (2-04) (INTERNET) MAIL TO: State of California / Employment Development Department / P.O. Box 826288 / Sacramento, CA 94230-8288

Calculation Notes:

- Enrolled employee
- Enrolled employee
- Enrolled employee
- Terminated employee
- Other coverage/waiving
- Part-time, not eligible
- Enrolled owner
- 7 Owners/Employees
- 1 Terminated
- 1 Other coverage
- 1 Part time
- 4 Eligible
- 4 Enrolled =100%
- 3 Health Net =75%
- 1 Kaiser =25%