

## Verification and Statement of Understanding for Small Employers (2 to 50) Purchasing a Blue Shield Health Plan

Employer Name: \_\_\_\_\_

Group Contract/Policy #: \_\_\_\_\_ Effective/Renewal Date: \_\_\_\_\_

The Simple Savings 3400/6800\*† is the only Blue Shield plan offered by either Blue Shield of California or Blue Shield of California Life & Health Insurance Company, that can be paired with any form of a “wrap plan.” Underwriting participation criteria for all other 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, with the exception of the Simple Savings 3400/6800.\*† 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, with the exception of the Simple Savings 3400/6800,\*† 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

\* Underwritten by Blue Shield of California Life & Health Insurance Company (Blue Shield Life).

† The Simple Savings 3400/6800 plan is pending regulatory approval.

**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 (with the exception of the Simple Savings 3400/6800\*†).
- 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:**

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Signature of Broker

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Print Name Date

\* Underwritten by Blue Shield of California Life & Health Insurance Company (Blue Shield Life).

† The Simple Savings 3400/6800 plan is pending regulatory approval.