

CHAPTER 102

INSURANCE

SENATE BILL 96-184

BY SENATORS Linkhart, Coffman, Hernandez, Johnson, Pascoe, Rupert, and Schroeder;
also REPRESENTATIVES Leyba and Lyle.

AN ACT

CONCERNING THE DEFINITION OF A BUSINESS GROUP OF ONE FOR HEALTH COVERAGE.

Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. 10-16-102 (6), Colorado Revised Statutes, 1994 Repl. Vol., is amended to read:

10-16-102. Definitions. As used in this article, unless the context otherwise requires:

(6) (a) "Business group of one" means, for purposes of initial qualification, an individual, a sole proprietor, or a single full-time employee of a subchapter S corporation, C corporation, NONPROFIT CORPORATION, limited liability company, or partnership who has carried on significant business activity for a period of at least one year prior to application for coverage, has taxable income as indicated on federal internal revenue service forms 1040, schedule C, F, or SE, or other forms recognized by the federal internal revenue service for income reporting purposes which generated taxable income in one of the two previous years or from which that individual, sole proprietor, or single full-time employee has derived at least a substantial part of such individual's income for one year out of any consecutive three-year period. This definition shall be met by an individual certifying in an individual affidavit signed under oath that such individual meets the definition set forth in this ~~subsection (6)~~ PARAGRAPH (a).

(b) "BUSINESS GROUP OF ONE" INCLUDES A FULL-TIME HOUSEHOLD EMPLOYEE WHO WORKS TWENTY-FOUR HOURS OR MORE A WEEK ON A PERMANENT BASIS AS A HOUSEHOLD EMPLOYEE, IF THAT EMPLOYEE HAS DERIVED AT LEAST A SUBSTANTIAL PART OF SUCH EMPLOYEE'S EARNED INCOME FOR ONE YEAR OUT OF THE PRECEDING

Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.

THREE-YEAR PERIOD FROM HOUSEHOLD EMPLOYMENT, AND IF THE EMPLOYEE'S EMPLOYER, ON AT LEAST FIFTY PERCENT OF THE DAYS IN A NORMAL WORK WEEK DURING THE PRECEDING CALENDAR QUARTER, EMPLOYED AT LEAST ONE HOUSEHOLD EMPLOYEE. CARRIERS MAY REQUIRE WHATEVER INFORMATION IS REASONABLY NECESSARY TO DETERMINE WHETHER OR NOT A HOUSEHOLD EMPLOYEE MEETS THE REQUIREMENTS OF THIS PARAGRAPH (b), INCLUDING EMPLOYMENT-RELATED TAX AND WITHHOLDING INFORMATION.

SECTION 2. 6-18-102 (1) (a), Colorado Revised Statutes, 1992 Repl. Vol., as amended, is amended to read:

6-18-102. Definitions. As used in this article, unless the context otherwise requires:

(1) (a) "~~Business group of one~~" ~~means, for purposes of initial qualification, an individual, a sole proprietor, or a single full-time employee of a subchapter S corporation, C corporation, limited liability company, or partnership who has carried on significant business activity for a period of at least one year prior to application for coverage, has taxable income as indicated on federal internal revenue service forms 1040, schedule C, F, or SE, or other forms recognized by the federal internal revenue service for income reporting purposes which generated taxable income in one of the two previous years or from which that individual, sole proprietor, or single full-time employee has derived at least a substantial part of such individual's income for one year out of any consecutive three-year period. This definition shall be met by an individual certifying in an affidavit signed under oath that such individual meets the definition set forth in this subsection (1).~~ HAS THE SAME MEANING AS SET FORTH IN SECTION 10-16-102 (6), C.R.S.

SECTION 3. 10-8-602 (2.5), Colorado Revised Statutes, 1994 Repl. Vol., is amended to read:

10-8-602. Definitions. As used in this part 6, unless the context otherwise requires:

(2.5) "~~Business group of one~~" ~~means, for purposes of initial qualification, an individual, a sole proprietor, or a single full-time employee of a subchapter S corporation, C corporation, limited liability company, or partnership who has carried on significant business activity for a period of at least one year prior to application for coverage, has taxable income as indicated on federal internal revenue service forms 1040, schedule C, F, or SE, or other forms recognized by the federal internal revenue service for income reporting purposes which generated taxable income in one of the two previous years or from which that individual, sole proprietor, or single full-time employee has derived at least a substantial part of such individual's income for one year out of any consecutive three-year period. This definition shall be met by an individual certifying in an affidavit signed under oath that such individual meets the definition set forth in this subsection (2.5).~~ HAS THE SAME MEANING AS SET FORTH IN SECTION 10-16-102 (6).

SECTION 4. Effective date - applicability. This act shall take effect July 1, 1996, and shall apply to all policies, contracts, plans, and certificates subject to article 16 of title 10, Colorado Revised Statutes, that are delivered, issued for

delivery, renewed, extended, or modified on or after January 1, 1997.

SECTION 5. Safety clause. The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

Approved: April 17, 1996