



Broker Disclosure Information Sheet

California law mandates certain disclosure procedures for small groups (AB 1672, AB 1742 and the California Insurance Code Section 10716). CaliforniaChoice will make available appropriate disclosure information and notifications to your group through you.

The following flow chart identifies small group disclosure requirements at various stages of the broker sales process:

AGENT/BROKER AB 1672 DISCLOSURE FLOW CHART

I. Prior To Recommending Specific Plan Designs:

- ADVISE group of carriers' obligation to sell any small employer any plan design offered to any other small group
- PROVIDE actual risk adjusted rates charged for any given plan design (on request)
- NOTIFY that rate and benefit information will be procured on any small employer plan design offered by a represented carrier
- NOTIFY that a Summary Brochure will be provided for each represented carrier (on request)

II. When Recommending Specific Plan Designs:

- ADVISE that a Summary Brochure for each carrier whose plan design is recommended will be provided (on request)

III. Prior to filing an application for specific plan design:

- PROVIDE a Summary Brochure for each carrier whose plan design is recommended
- PROVIDE sum of the standard employee risk rates for each of the plan designs offered by the carrier whose product is presented
- NOTIFY that Evidence of Coverage will be provided for each available plan design (on request)
- NOTIFY that from July 1, 1993 the sum of the standard employee risk rates may be adjusted within a range of plus or minus 20%, starting July 1, 1996 the adjustment may be within a range of plus or minus 10%
- NOTIFY that health information will be submitted to the carrier to ascertain the sum of the risk adjusted rates (on request)
- OBTAIN signed statement acknowledging receipt of AB 1672 disclosure material**

**** (KEEP FOR YOUR RECORDS)**

If we can provide you with any information or materials that will assist you in the disclosure process, please do not hesitate to call CaliforniaChoice at (800) 542-4218.