



Sole Proprietor Eligibility - FAQ

There are new rules under the Affordable Care Act regarding sole proprietors who have in the past purchased health insurance as a small group. The below FAQ will help you determine if your business is still eligible for small group coverage.

Q. I'm a sole proprietor. Can I still buy health insurance as a small group?

A. Only if you employed an average of at least one employee on business days during the preceding calendar year and you employ at least one employee on the first day of the plan year.

Please note: *If your business consists only of an owner, or the owner and his/her spouse, your business is not eligible for small group coverage.*

Q. Does it matter if my business is incorporated and not technically a sole proprietorship?

A. No. The Affordable Care Act's definition of a sole proprietor differs from the IRS's definition. Even if your business is incorporated, if there are no employees and just an owner and his/her spouse, your business is not eligible for small group coverage.

Q. What if I won't have an employee on the first day of the plan year, but I anticipate hiring someone later in the year?

A. Your business will become eligible as a small group when you hire that employee.

Q. If I'm no longer eligible to purchase coverage as a small group, where can I buy health insurance?

A. You can still buy coverage directly from Blue Cross. Please call your Broker or your Blue Cross Client Manager at (401) 459-2012.