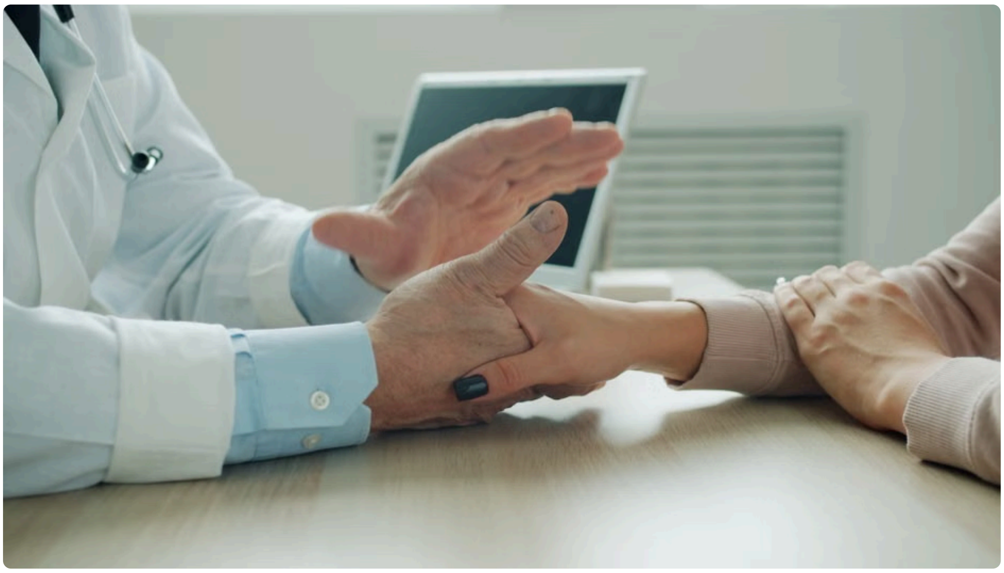
When you're ready to shop health insurance for your micro-business (1-25 employees), the first call with a licensed health insurance broker is a crucial step. But you might wonder, *what exactly should I bring to make that call productive?* Knowing what information to prepare saves time, clarifies options, and helps your broker tailor the best plans for your unique situation.



In this guide, I'll walk you through the essentials you need to bring, clarify key terms like **off-exchange** vs. **on-exchange** purchase routes, explain **Individual vs. Small Group eligibility nuances**, break down the **SHOP Marketplace basics and limits**, and cover why the **Small Business Health Care Tax Credit** often drives your final decision.

Off-Exchange vs On-Exchange: Purchase Route, Not Plan Quality

First, let's define two terms that often confuse small business owners:

- **On-exchange** plans are those purchased through a government-run marketplace like the SHOP Marketplace.
- **Off-exchange** plans are bought directly from insurance carriers outside the government marketplaces.

Importantly, *these are purchase routes — not indicators of plan quality*. Both on-exchange and off-exchange plans can have identical benefits and prices. Differences arise mainly in eligibility rules, tax credit availability, and where you complete transactions.

Mini Scenario: Jane owns a 3-person company in Illinois and wants to buy coverage. The broker shows her options through the SHOP Marketplace (on-exchange) and direct from carriers (off-exchange). Jane learns the benefits are nearly the same, but using SHOP lets her qualify for the Small Business Health Care Tax Credit, which is only available for plans sold on-exchange.

Individual vs Small Group Eligibility: Owner-Only and Common-Law Employees

Knowing who is eligible for what insurance market is critical when you call your broker. Here are two categories to understand:

- **Individual Market:** Plans designed for people buying coverage just for themselves or their families. Self-employed owners with no employees typically qualify here.

- **Small Group Market:** Plans intended for small employer groups (usually 1-25 employees) including the owner if there is a common-law employee relationship.

Common-law employee means anyone you treat as an employee under IRS and labor laws—paid wages, taxes withheld, and expected to follow company policies.

If you have employees beyond just yourself and spouse, your group likely needs to shop Small Group plans, either via SHOP Marketplace or off-exchange with carriers.

Why It Matters

The Small Business Health Care Tax Credit only applies if you buy *qualified Small Group market* plans through the SHOP Marketplace. Individual plans do not qualify, so your broker needs to know who you employ to recommend the right market.

SHOP Marketplace Basics and Availability Limits

Here's what every micro-business owner needs to know about the SHOP Marketplace on your initial call:

- **Who can use SHOP?** Businesses with 1-25 eligible employees (in most states) can shop here.
- **Owner's Role:** The owner is counted as an employee if common-law employees exist; otherwise, can shop as an individual.
- **Availability Varies by State and County:** Not all carriers participate in every county or zip code on SHOP, so your broker will need your business location.
- **Tax Credit Eligibility:** To get the Small Business Tax Credit, you generally must have fewer than 25 full-time equivalent employees (FTEs), pay average wages below a state-specific threshold (around $56K nationally in 2024), and pay at least 50% of employee premiums.

Mini Scenario: Mark runs a 12-employee business in rural Montana. His broker discovers that only two carriers offer SHOP plans in his county, limiting options. The broker also gathers Mark's FTE count and wages to confirm tax credit eligibility before recommending a purchase route.

Small Business Health Care Tax Credit Rules and Why They Drive the Decision

The Small Business Health Care Tax Credit is often the single biggest financial factor on your first call. Let's define what it is, who qualifies, and why that affects whether you choose on-exchange (SHOP) or off-exchange plans.

What Is the Small Business Health Care Tax Credit?

A tax credit designed to help small businesses afford coverage by partially reimbursing premiums when they meet certain criteria.

Who Qualifies?

- Has between 1 and 25 full-time equivalent employees (FTEs).
- Pays average employee wages below a state-specific limit (e.g., ~$56,000 nationally for 2024).
- Pays at least 50% of employees' premium costs.
- Purchases Small Group coverage through the SHOP Marketplace.

Impact on the Purchase Decision

Since the credit applies only to SHOP Marketplace plans, businesses that qualify might save thousands of dollars borrowing on-exchange plans vs. similar off-exchange ones.

What to Bring to Your First Call: The Ultimate Checklist

To homebusinessmag get the most out of your initial call, prepare these details so the broker can quickly and accurately assess your options. This applies whether your broker uses SHOP Marketplace tools or works with multiple carriers' direct purchases.

1. **County and Zip Code:** Health insurance networks and availability vary wildly by geography. Your broker needs your exact business location to identify which carriers and plans are offered.
2. **Employee Count and Ages:** List all employees who need coverage, including owners and common-law employees. Also provide their ages to correctly price plans, as employee age affects premiums.
3. **Current Doctors and Specialists:** If keeping existing providers is important, bring the names of key doctors and specialists employees see. Brokers can check that these doctors are in-network under potential plans.
4. **Current Plan Information:** If you have existing coverage, bring plan names, benefits summaries, and monthly premium amounts. This helps the broker compare apples-to-apples and spot gaps or savings.
5. **Business Payroll Info:** For Small Business Health Care Tax Credit eligibility, have available recent payroll reports confirming average wages and number of full-time equivalent employees.
6. **Contribution Percentage:** Know how much you currently pay toward employee premiums (e.g., 50%, 75%, 100%). This affects eligibility and recommendation.
7. **Preferred Purchase Route (if any):** Some business owners have a preference between SHOP Marketplace or buying direct from carriers. Share this with your broker upfront to focus the search.

Example Table: How Employee Details Impact Plan Pricing

Employee Age Impact on Premium John (Owner) 45 Standard baseline premium Mary (Employee) 30 Lower premium impact Sam (Employee) 55 Higher premium impact due to age

Why This Preparation Matters: Messy Reality of Renewals and Renewals

As a former payroll/HR admin and broker, I know firsthand how renewals and employee questions explode if you don't get the first call right. Here's why:

- **Inaccurate employee ages or count** will skew premiums, leading to unexpected budget issues.
- **Missing county or zip code details** mean your broker can't guarantee accurate carriers or network availability.
- **Without current doctor info,** employees may find their providers suddenly out of network, causing dissatisfaction.
- **Ignoring tax credit eligibility** wastes money and misses savings opportunities.

Final Takeaway

Your first call with a licensed health insurance broker is a chance to get a clear picture of your healthcare coverage options and possible tax savings. Come prepared with county and zip code, detailed employee ages, current doctors, and payroll data to unlock the most tailored, cost-effective plans — whether via SHOP Marketplace or carrier direct purchase routes.

Remember, off-exchange vs on-exchange choice is about *how* you buy coverage, not *which* plan is better. Your employee demographics and eligibility rules dictate these nuances — and a good broker helps you navigate it all.

Ready for that call? Gather your info, and you'll be on the fast track to smart, compliant, and affordable health insurance for your small business.