

Group Hospitalization and Medical Services, Inc.
doing business as
CareFirst BlueCross BlueShield (CareFirst)
and
CareFirst BlueChoice, Inc. (CareFirst BlueChoice)
840 First Street, NE
Washington, DC 20065
202-479-8000

Independent licensees of the Blue Cross and Blue Shield Association

Insurers identified above are responsible for the obligations in this Group Contract Application.

Point-of-Enrollment

GROUP CONTRACT APPLICATION

Point-of-Enrollment is jointly offered product(s) from CareFirst and CareFirst BlueChoice, Inc. (CareFirst BlueChoice) (collectively referred to as CareFirst/CareFirst BlueChoice). With Point-of-Enrollment product(s), the Subscriber may select for himself/herself and his/her dependents a CareFirst or a CareFirst BlueChoice product offered by the Group each year. Except when a special enrollment provision may be applicable, the Subscriber is locked into the selected product until the next Annual Open Enrollment Period, at which time the Subscriber can elect to change to another product. There are two additional exceptions. If the Subscriber lives outside of the CareFirst BlueChoice Service Area, has chosen a CareFirst product and subsequently moves into the CareFirst BlueChoice Service Area, then the Subscriber may, with proof of new residence, change to a CareFirst BlueChoice product within 60 days of residing in his/her new residence. This would only be applicable for a CareFirst BlueChoice product with a residency requirement. Additionally, if the Subscriber has chosen a CareFirst BlueChoice product with a residency requirement, and moves out of the CareFirst BlueChoice Service Area, then the Subscriber may, with proof of new residence, change to a CareFirst product, or CareFirst BlueChoice product that does not have a residency requirement, within 60 days of residing in his/her new residence. Any change caused by new residence will take effect on the first day of the month following notification to CareFirst/CareFirst BlueChoice of the change.

If this Application is being completed for a new Group, or an existing Group selecting a new product or making a jurisdictional change the Group is required to complete this Application in its entirety, in black ink, and sign, date and return it to the Group's Sales Representative.

If this Application is being completed for an existing Group amending the Group's current coverage or changing general information, the Group is required to complete, in black ink, *only* the sections in which the information is changing, sign, date and return this Application to the Group's Sales Representative.

Do not alter this document except to fill in the blanks and check the boxes provided. This Application will not be accepted if any other changes are made.

GENERAL INFORMATION

Group Number (if available): _____

Name of Organization: _____

Physical Location:

Street Address: _____

City: _____ State: _____ Zip: _____

Mailing Address (if other than above):

Street Address: _____

City: _____ State: _____ Zip: _____

Billing Address (if other than above):

Street Address: _____

City: _____ State: _____ Zip: _____

Group Administrator (Person to Contact):

Name: _____ Telephone Number: _____

Title: _____

Email Address: _____

Chief Executive Officer/President

Name: _____ Telephone Number: _____

Title: _____

Email Address: _____

Type of Organization

Sole Proprietorship

Partnership

Corporation

Other _____

Nature of Business: _____

Federal Tax Identification Number: _____

EMPLOYER CONTRIBUTION

Medical Products

CareFirst/CareFirst BlueChoice reserves the right to revise rates, or to refuse to renew any CareFirst/CareFirst BlueChoice health benefit plan issued to the Group, if the Group does not contribute an amount equal to at least 50% of the cost of the Individual Coverage for enrolled employees.

CareFirst/CareFirst BlueChoice will notify the Group of any rate adjustments no later than 45 days prior to the effective date of the rate change.

Freestanding Dental and Vision Products

To be eligible for CareFirst Group dental and/or vision benefits coverage, the employer must identify the contribution level that applies to the dental and/or vision benefits coverage in the checkboxes below. If the employer's contribution for enrolled employees is an amount equal to at least 50% of the cost of the Individual Coverage for enrolled employees, then the employer should select employer-sponsored below. If the employer's contribution is less than 50% of the cost of the Individual Coverage, the plan will be considered Voluntary, and the employer should select Voluntary below. If the employee or participant in the Group agrees to pay the entire premium for the coverage to the Group, then the employer should select Voluntary below.

If the Group selects dental benefit coverage, the Group must specify if the coverage will be:

Employer-sponsored or

Voluntary

If the Group selects vision benefit coverage, the Group must specify if the coverage will be:

- Employer-sponsored or
- Voluntary

GROUP MINIMUM ENROLLMENT REQUIREMENTS

Medical Benefits Products Minimum Enrollment Requirements:

If the employer does not meet the following requirements, CareFirst/CareFirst BlueChoice reserves the right to revise rates or to refuse to renew any CareFirst/CareFirst BlueChoice health benefit plan issued to the Group:

Groups must enroll and maintain enrollment of 75% of all employees eligible for medical coverage (or 100% if the employer pays the entire Individual Coverage premium). If at any time there are less than 75% enrolled in any of medical health benefits products offered by the Group, CareFirst/CareFirst BlueChoice reserves the right to revise the rates for the product that does not meet the 75% requirement, or refuse to renew the product that does not meet the 75% requirement.

This must be the sole health plan offered by the Group to its employees.

If at any time total enrollment increases or decreases by 10% or more, CareFirst/CareFirst BlueChoice reserves the right to revise the rates at renewal or to refuse to renew any of the medical health benefits products offered by the Group.

The Group cannot enroll in their HMO programs (other than CareFirst BlueChoice, Inc.) more than 25% of the total number of employees enrolled in all health programs offered through the Group. If applicable, the Group cannot continue to enroll new employees in a staff model HMO.

The basis for determining whether an enrollment increase or decrease has occurred will be the total enrollment

1. For purposes of renewal: On the contract renewal date versus the total enrollment proposed at the time the rates were developed.
2. For premium rate adjustments: On the first day of any month during the contract period versus the total enrollment proposed at the time the rates were developed.

CareFirst/CareFirst BlueChoice will notify the Group of any rate adjustments no later than 45 days prior to the effective date of the rate change.

Freestanding Dental and Vision Products: Minimum Enrollment Requirements:

When a Group selects employer-sponsored freestanding dental and/or vision benefit coverage, the Group must enroll and maintain enrollment of at least 75% of all eligible employees for the employer-sponsored dental and/or vision coverage. If at any time there are less than 75% enrolled in the employer-sponsored dental and/or vision products; CareFirst/CareFirst BlueChoice reserves the right to rescind the proposal (if prior to effective of the applicable Group Contract), revise the rates, terminate the product that does not meet the 75% requirement, or refuse to renew the product that does not meet the 75% requirement.

When a Group selects Voluntary dental benefit coverage, the Group must enroll and maintain enrollment of 20% of all employees eligible for the Voluntary dental coverage. If at any time there are less than 20% enrolled in the Voluntary dental coverage, CareFirst/CareFirst BlueChoice reserves the right to rescind the proposal (if prior to effective of the applicable Group Contract), revise the rates, terminate the product that does not meet the 20% requirement, or refuse to renew the product that does not meet the 20% requirement.

If the Group offers dental or vision benefits only and at any time total enrollment increases or decreases by 10% or more, CareFirst/CareFirst BlueChoice reserves the right to rescind the proposal (if prior to

effective of the applicable Group Contract), revise the rates, terminate this Group Contract, or refuse to renew this Group Contract.

The basis for determining whether an enrollment increase or decrease has occurred will be the total enrollment

1. On the effective date or contract renewal date versus the total enrollment proposed at the time the rates were developed; and
2. On the first day of any month during the contract period versus the total enrollment proposed at the time the rates were developed.

CareFirst/CareFirst BlueChoice will notify the Group of any rate adjustments no later than 45 days prior to the effective date of any rate change.

Other Minimum Enrollment Requirements Applicable to All Products:

At least one employee must be employed full-time and enrolled under the Group's coverage on the first day of the plan year. (Note: Those employees with complementary to Medicare coverage do not count toward the one employee minimum enrollment requirement.). Enrolled Groups that drop to less than one full-time employee at this time should contact their CareFirst/CareFirst BlueChoice Sales Representative to arrange for individual direct pay coverage.

Exclusions from Minimum Enrollment Requirements (Applicable to All Products):

The following eligible employees should be excluded from the above counts:

1. Those eligible employees who have coverage under their spouse's or parent's group coverage; TRICARE; Medicare as primary under TEFRA; or their prior employer's plan under COBRA.
2. Those eligible employees enrolled in other CareFirst/CareFirst BlueChoice coverage or covered under any CareFirst affiliate.

Annual Enrollment Certification:

CareFirst/CareFirst BlueChoice reserves the right to inspect the records of the Group after sixty (60) days from the effective date of the Group coverage in order to verify the eligibility of employees and their dependents. In addition, the Group may be required to complete and return to CareFirst/CareFirst BlueChoice an eligibility audit and/or census report annually.

EMPLOYEE ELIGIBILITY REQUIREMENTS

The following individuals identified below ("Subscribers") are eligible to enroll themselves (and any dependents), as long as they meet the additional eligibility and enrollment requirements stated in the Evidence of Coverage and any attachments thereto.

Full-Time Employees: All employees (including owners and partners) who are regularly employed on a full-time basis working at least 30 hours a week on a regular basis. Seasonal employees and independent contractors, such as subcontractors, who received a 1099, are not eligible to enroll. The IRS has issued guidance on when individuals could be treated as either an employee or independent contractor. Employers are encouraged to review this guidance and consult with an attorney or accountant, if needed.

All former employees (and any dependents), enrolled under the Group's prior health coverage, whose eligibility for group coverage has been extended due to COBRA requirements.

Specify the following additional Subscribers that the Group wishes to cover, even if the Group does not currently have such individuals in the Group. NOTE: These individuals cannot be included in the total number of eligible employees for the Group.

- Part-time employees who works at least 17.5 hours per week for more than six months each year.
- All Retirees in accordance with the provisions of the Group's retirement program, as amended from time to time, who retired prior to the effective date of this coverage. (Available only if covered under the Group's prior health coverage)
- All Retirees in accordance with the provisions of the Group's retirement program, as amended from time to time, who retire on or after the effective date of this coverage.
- All former employees who terminated employment due to disability prior to the effective date of this coverage may enroll for a period of not more than 2 years. (Available only if covered under the Group's prior health coverage.)
- All eligible individuals who terminate employment due to disability after the effective date of this coverage may enroll for a period of not more than 2 years.
- Other _____(Specify)

Note: No individual is eligible to enroll under the Group's coverage both as a Subscriber and as a dependent. If the Group employs both spouses of a family (or both partners to a Civil Union or Domestic Partners, if applicable), they may not both select a Type of Coverage that is Individual and Adult Coverage or Family Coverage.

DOMESTIC PARTNER ELIGIBILITY

Specify below whether Domestic Partners of Subscribers will be eligible to enroll as dependents.

- YES NO Domestic Partners of Subscribers are eligible

Note: A Subscriber's partner in a Civil Union is eligible for coverage to the same extent as an eligible Spouse.

ENROLLMENT EFFECTIVE DATES

Coverage of the following eligible individuals becomes effective on the date that the Group Contract becomes effective:

1. Existing eligible individuals who are currently enrolled under the Group's prior health coverage;
2. Former employees, who are currently enrolled under the Group's prior health coverage, whose eligibility for group coverage has been extended due to COBRA requirements; and
3. Eligible individuals who enroll during an open enrollment period prior to the effective date of the Group Contract.

Coverage for an individual newly eligible to enroll as a Subscriber, and any eligible and enrolled dependents, is effective as stated below:

Select one:

- On the first day of the month following employment or eligibility, whichever is later.
- On the date of employment or eligibility, whichever is later.
- On the day after the Subscriber satisfies the Group's Waiting Period of ____ days after employment or eligibility, whichever is later. (Day range cannot exceed a total of ninety (90) days)
- On the first day of the month following the Subscriber satisfies the Group's Waiting Period of ____ days after employment or eligibility, whichever is later. (Day ranges cannot exceed a total of sixty (60) days to ensure compliance with applicable law).
- Other _____ (Specify).

TERMINATION OF COVERAGE

Coverage for enrolled Subscribers and/or their enrolled Dependents who are no longer eligible (other than on the basis of a dependent child's limiting age) terminates on the date stated below:

Select One:

- The date on which the Subscriber's employment or eligibility or the Dependent's eligibility terminates.
- The last day of the month in which the Subscriber's employment or eligibility or the Dependent's eligibility terminates.
- Other _____ (Specify).

AGE LIMITS FOR DEPENDENT CHILDREN

Dependent children are covered until:

Select One:

- The last day of the month of their 26th birthday.
- On the date of their 26th birthday
- The last day of the calendar year of their ____ birthday. (Specify an age over the age of 26.)
- The last day of the month of their ____ birthday. (Specify an age over the age of 26.)
- On the date of their ____ birthday (Specify an age over the age of 26.)

Dependent students may remain eligible after the age selected above as long as they are enrolled as full-time students in an institution and students over age 26 must have a student certification on file with CareFirst/CareFirst BlueChoice until:

Select One:

- The last day of the month of their ____ birthday. (Specify an age of 27 or over.)
- The date of their ____ birthday. (Specify an age of 27 or over.)
- The last day of the calendar year of their ____ birthday. (Specify an age of 27 or over.)
- The last day of the month of the student dependent's graduation or the end of the month of their ____ birthday, whichever occurs last. (Specify an age of 27 or over.)
- The last day of the calendar year of the student dependent's graduation or the last day of the calendar year of their ____ birthday, whichever occurs last. (Specify an age of 27 or over.)

Note: Dependent eligibility must end in the same manner for dependent children and dependent students, i.e. at the end of the year, or the end of the month, or on the birthday. For example, the Group may not select end of the month for dependent children and end of the year for dependent students.

GROUP'S RESPONSIBILITY TO EMPLOYEES

In any case in which the employee is responsible for a portion of the monthly premiums, the Group must:

1. Advise the employee of his/her eligibility for coverage under the Group Contract;
2. Advise the employee when s/he may enroll for such coverage in accordance with the provisions stipulated in this Application and the Group Contract including the Evidence of Coverage;
3. Advise the employee when coverage will commence based on the aforementioned provisions and the date of completion of the enrollment form;
4. Advise the employee of the cost of such coverage to the employee and the method in which payment is to be made; and
5. Obtain from the employee a completed enrollment form and a signed agreement by the employee to pay the applicable portion of the monthly rates.

GROUP STATEMENTS

The Group agrees that in the making of this Application, it is acting for and on behalf of itself and as the agent representative of its employees and COBRA participants, and their dependents; and it is agreed and understood that the Group is not the agent or representative of CareFirst/CareFirst BlueChoice for any purpose of this Application or any Group Contract issued pursuant to this Application.

The Group agrees to receive on behalf of its eligible employees and their dependents and COBRA participants the Evidence of Coverage including all attachments, and all relevant notices furnished by CareFirst/CareFirst BlueChoice, and to forward such materials to these individuals.

The Group agrees that in the making of this Application, it has provided CareFirst/CareFirst BlueChoice with information regarding the eligibility of employees (and their dependents) that is accurate and consistent with the requirements and provisions of the Patient Protection and Affordable Care Act of 2010, Pub. L. No. 111-148, 124 Stat. 119 (codified as amended in scattered sections of the Internal Revenue Code and 42 U.S.C).

This Group Contract Application is part of the Agreement between the Group and CareFirst/CareFirst BlueChoice.

IMPORTANT NOTE: The Group's rate sheet, which describes the benefits and corresponding rates for the CareFirst/CareFirst BlueChoice coverage selected must be signed by the Group before coverage can be made effective. CareFirst/CareFirst BlueChoice reserves the right to revise the rates if the actual enrollment varies substantially from that used in the original rating or if applicable law or regulatory authority requires such revisions.

Warning: It is a crime to provide false or misleading information to an insurer for the purpose of defrauding the insurer or any other person. Penalties include imprisonment and/or fines. In addition, CareFirst/CareFirst BlueChoice may deny insurance benefits if false information materially related to a claim was provided by the applicant.

ACCEPTED FOR:

(Name of Organization)

BY: _____
(Printed Name of Authorized Officer)

(Signature of Authorized Officer)

Title: _____ Date: _____

Broker (if applicable)

(Printed Name of Broker)

(Signature of Broker)

Email Address: _____

Date: _____

Effective Date of Group Contract: _____