

Group Hospitalization and Medical Services, Inc.

doing business as

CareFirst BlueCross BlueShield (CareFirst)

840 First Street, NE
Washington, DC 20065
202-479-8000

A not-for-profit health service plan

An independent licensee of the Blue Cross and Blue Shield Association

GROUP CONTRACT APPLICATION
Maryland Small Group Business

<p><input type="checkbox"/> APPLICATION FOR CONTRACT (New Group)</p> <p>Please complete the entire application.</p>	<p><input type="checkbox"/> APPLICATION FOR AMENDMENT (Existing Group)</p> <p>Fill in Name of Organization and Group Number. Complete only those areas in which information is changing.</p> <p>Group Number _____</p>
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Please sign and return this application to your Sales Representative.
No retroactive effective dates for new groups or amendments will be permitted.

Name of Organization: _____
(Group) (Name as it appears above will be used in your Group Contract)

Physical Location: _____
Street

_____ City State Zip

Mailing Address: _____
(if other than above) Street

_____ City State Zip

Chief Executive Officer: _____
Name Title Telephone No.

Group Administrator: _____
(Person to Contact) Name Title Telephone No.

Nature of Business: _____
(Please Specify)

Type of Organization Sole Proprietor Partnership Other _____

Federal Tax Identification Number: _____

Eligibility and Enrollment

Group Eligibility Requirements -- To be eligible for coverage and maintain its eligibility, the Group must meet all requirements for a Small Employer as provided under the Maryland Small Employer Insurance Business Reform Law. Generally, you must be a Maryland employer that employed at least 2 but not more than 50 Eligible Employees on 50% of the work days during the preceding calendar quarter; the majority of whom were employed within the State of Maryland. Small Employer also means non-profit organizations that are exempt from taxation under §501(c)(3), (4), or (6), of the Internal Revenue Code and employ at least one but not more than 50 Eligible Employees. In determining if the Group employs the requisite number of Eligible Employees, part-time employees will not be included. However, an employer is considered to continue to be a Small Employer if the employer met the requirements for a Small Employer and subsequently eliminated all but one Eligible Employee.

If the Small Employer previously met the definition of a "Small Employer" and who cease being a Small Employer based solely on the new definition may continue to renew previously purchased coverage. Your Sales Representative or broker can help you obtain additional detailed information about the requirements of the Maryland Small Employer Insurance Business Reform law.

Eligible Employees -- Eligible Employee means an employee who works on a full-time basis and has a normal workweek of 30 or more hours. Eligible Employee includes:

- a. A sole proprietor, partner of a partnership and an independent contractor who is included as an employee under a health benefit plan under the Maryland Small Employer Insurance Business Reform Law; and
- b. A sole employee of a nonprofit organization, which has been determined by the Internal Revenue Service to be exempt from taxation under section 501(c)(3), (4), or (6) of the Internal revenue Code, who has a normal workweek of 20 or more hours and is not covered under a public or private health insurance plan or other health benefit arrangement.

Eligible Employee does not include an individual who works on a temporary or substitute basis or for less than 30 hours in a normal workweek, except for an individual described in item b., above.

Additional Eligibility Options -- The Group may elect to cover part-time employees and/or employees covered under another public or private plan of health insurance or other health benefit arrangement.

- Check here if you wish to cover **Part-Time Employees**.
"Part-Time Employee" means an employee who has a normal workweek of at least 17-1/2 hours a week, but less than 30 hours a week and has been continuously employed for at least four consecutive months.
- Check here if you wish to cover **Employees With Other Coverage**
"Other Coverage" means another public or private plan of health insurance or other health benefit arrangement including Medicare, Medicaid or Champus, that provides benefits similar to or exceeding the benefits provided under this Group Contract.

Effective Date -- Coverage for new Eligible Employees will be effective on the first day of the month following the date of hire unless otherwise specified below:

- the date of hire
- the first day of the month following 30 days of employment
- the first day of the month following 60 days of employment
- the first day of the month following 90 days of employment
- other: _____

Minimum Enrollment Requirements -- The Group must enroll and maintain enrollment of at least 75% of all Eligible Employees. To determine enrollment, the Plan considers all Eligible Employees, except those who have group spousal coverage under a public or private plan of health insurance, or a health benefit arrangement through another employer that provides benefits similar to or exceeding the benefits under this Group Contract, including Medicare, Medicaid, and CHAMPUS or Part-Time employees. If the Group offers another health benefits program through the Plan and/or through CareFirst BlueChoice, Inc., and/or another CareFirst affiliated or related entity the total Group enrollment in all such plans will be combined to meet the minimum participation requirement

If this Group Contract covers dental benefits only, and the Group does not have a health benefits program through CareFirst or another CareFirst affiliate, the Group must have a minimum of ten (10) eligible employees enrolled at the time of the Group's initial effective date.

The Group must enroll and maintain enrollment of at least 75% of all Eligible Employees for medical coverage and for each ancillary product purchased, if offered (or 100% if the employer pays the entire Self-Only premium). The ancillary product is dental benefits. If at any time there are less than 75% enrolled in any of the medical or ancillary products, the Plan reserves the right to rescind the proposal, 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.

Enrollment Certification -- The Plan reserves the right to inspect the records of the Group in order to verify the eligibility of employees and their dependents. In addition, the Group must annually complete and return an employee status certification form to the Plan.

Other Terms

Rates And Coverage -- Please attach the appropriate rate and benefit schedule for the coverage selected. This application cannot be processed without the schedule. If the actual enrollment varies from that used in the original rating such that the group is not eligible for Maryland Small Business Insurance Reform Law coverage, the Group will be required to apply for other coverage by completing a new application and will be charged different rates.

Group Statements -- The Group agrees that in submitting this application, it is acting for and on behalf of itself and as the agent and representative of its employees and COBRA participants, if applicable. The Group is not the agent or representative of the Plan 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, if applicable, Certificates of Coverage, the Identification Cards, and all relevant notices furnished by the Plan and to forward such materials to these individuals at their last known address.

Following approval of this application by the Plan's Contract Administration Department, the Plan will issue a Group Contract if you are a new Group. If you are an existing Group, the Plan will either issue a new Group Contract (if there are substantial changes) or amend your current Group Contract. The Plan can amend your Group Contract through acceptance and approval of this application or by issuing a new Rider or Endorsement to your Group Contract.

Signature _____ **Date** _____
(Chief Executive Officer of the Group)

Amount Enclosed: \$ _____ (For new groups only)

Non-Binding Acceptance of Application, Subject To Final Approval By The Plan:

By _____ **Date** _____
(Signature of Broker or Sales Representative)

Broker or Rep. Code ID # _____

Plan Approval:

By _____ **Date** _____
Director, Contract Administration

Effective Date of Group Coverage _____