



**BlueCross BlueShield
of Texas**

Dearborn  national^{®*}

**SMALL EMPLOYER BENEFIT PROGRAM APPLICATION
(Employer Application)**

(The following information only applies if selecting a Consumer Choice plan)

You have the option to choose a Consumer Choice of Benefits Health Maintenance Organization (HMO) health care plan that, either in whole or in part, does not provide state-mandated health benefits normally required in evidences of coverage in Texas. This standard health benefit plan may provide a more affordable health plan for you although, at the same time, it may provide you with fewer health plan benefits than those normally included as state-mandated health benefits in Texas. If you choose this standard health benefit plan, please consult with your insurance agent to discover which state-mandated health benefits are excluded in this evidence of coverage (Certificate of Coverage).

Application is hereby made to Blue Cross and Blue Shield of Texas (BCBSTX) and/or Dearborn National[®] Life Insurance Company ("Dearborn National").

Legal Name of Company:		
Employer Identification Number (EIN):	Nature of Business:	Standard Industry Code (SIC):
Physical Address (number & street), City, State, ZIP:		
E-Mail Address of Authorized Company Official:		Telephone Number:
Secondary E-Mail Address, if different from Authorized Company Official:		FAX Number:
Complete Mailing Address, if different from physical address:		
Billing and Correspondence to the attention of:		
Billing Method Selection: Please select one of the following billing methods. <input type="checkbox"/> Composite Billing <input type="checkbox"/> Age Billing		
The Blue Access for Employers (BAE) contact person is the individual authorized by the Employer to access and maintain its account/employee information. Name and title of the BAE contact person: _____ E-mail address of BAE contact person: _____		

Blue Cross and Blue Shield of Texas, a Division of Health Care Service Corporation, a Mutual Legal Reserve Company,
an Independent Licensee of the Blue Cross and Blue Shield Association

*Products and services marketed under the Dearborn National[®] brand and the star logo are underwritten and/or provided
by Dearborn National[®] Life Insurance Company (Downers Grove, IL) in all states (excluding New York), the District of Columbia,
the United States Virgin Islands, the British Virgin Islands, Guam and Puerto Rico.

Dearborn National[®] Life Insurance Company does not provide Blue Cross and Blue Shield of Texas products and services, and is a separate company.

Requested Contract(s)/Policy(ies) Effective Date (1st or 15th): ____/____/____
Month Day Year

A copy of your most recent Texas Workforce Commission (TWC) Report(s) or other supporting documentation must be submitted with this Employer Application (please identify part-time employees and terminations). W4s, 1099s, or a Texas Supplemental Employment Verification form must be submitted for any applicants not included on the TWC Report.

1. Select a Waiting Period:

If a person is added to the Policy and it is later determined that the Policyholder reported a coverage date earlier than what would apply, based on the Waiting Period and eligibility conditions the Policyholder provided to the Plan, the Plan reserves the right to retroactively adjust the coverage date for such person.

a. Newly eligible individuals will become effective on:

- The first day of the contract/participation month following 0 days 30 days 60 days
Employee and dependent Health and/or Dental Benefit Plans will become effective on the first day of the contract/participation month following satisfaction of the Waiting Period and any substantive eligibility criteria.

b. Waive the Waiting Period on initial group enrollment? Yes No

c. Number of employees serving Waiting Period: _____

d. Substantive eligibility criteria:

Provide a representation below regarding the terms of any eligibility conditions (other than any applicable waiting period already reflected above) imposed before an individual is eligible to become covered under the terms of the plan. In no event can the substantive eligibility criteria result in a delay of coverage for eligible employees, as defined under Texas law, longer than 90 days inclusive of the Waiting Period. If any of these eligibility conditions change, you are required to submit a new BPA to reflect that new information.

Check all that apply:

- An Orientation Period that:
 - 1) Does not exceed one month (calculated by adding one calendar month and subtracting one calendar day from an employee's start date); and
 - 2) If used in conjunction with a waiting period the waiting period begins on the first day after the orientation period.
- A Cumulative hours of service requirement that does not exceed 1200 hours
- An hours of service per period (or full-time status) requirement for which a Measurement period is used to determine the status of variable-hour employees, where the measurement period:
 - 1) Starts between the employee's date of hire and the first day of the following month;
 - 2) Does not exceed 12 months; and
 - 3) Taken together with other eligibility conditions does not result in coverage becoming effective later than 13 months from the employee's start date plus the number of days between a start date and the first day of the next calendar month (if start day is not the first day of the month).

e. Other substantive eligibility criteria not described above; please describe:

2. Total number of enrollment applications submitted: _____ Total number of declinations submitted: _____

3. Do all employees reside in Texas? Yes No
If no, is Texas the state with the greatest number of employees eligible to enroll in this group plan? Yes No

4. Domestic Partners covered: Yes No

If yes: A Domestic Partner, as defined in the Plan, shall be considered eligible for coverage. The Employer is responsible for providing notice of possible tax implications to those covered Employees with Domestic Partners.

Continuation coverage for Domestic Partners: If Employer elects coverage for Domestic Partners, Domestic Partners are not eligible for continuation coverage under Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), but are eligible for continuation coverage similar to that available to spouses under COBRA continuation.

5. Is the company headquarters in Texas? Yes No

6. Are you an independent school district that is a large employer electing to participate as a small employer?
 Yes No

7. Will you have been without group coverage (uninsured) for at least two months prior to the requested Contract(s)/Policy(ies) effective date of coverage? Yes No

8. If you currently have group health care coverage, complete the following:

- a. Present health carrier's name _____
- b. Paid-to-date with current carrier: ____/____/____ (mm/dd/yyyy)
- c. Calendar year medical deductible amount with current carrier: Individual: ____ Family: ____

LEGISLATIVE REQUIREMENTS

The **Employee Retirement Income Security Act of 1974 (ERISA)** is a federal law that sets minimum standards for employee benefit plans in the private industry. In general, **all** employer groups, insured or ASO, are subject to ERISA provisions except for governmental entities, such as municipalities, and public school districts, and "church plans" as defined by the Internal Revenue Code.

Please provide your ERISA Plan Year*: Beginning Date: ____ / ____ / ____ End Date: ____ / ____ / ____
Month Day Year Month Day Year

ERISA Plan Sponsor*: _____

If you maintain that ERISA is not applicable to your account, please give the legal reason for exemption*:

- Federal Governmental plan (e.g., the government of the United States or agency of the United States)
- Non-Federal Governmental plan (e.g., the government of the State, an agency of the state, or the government of a political subdivision, such as a county or agency of the State)
- Church plan
- Other; please specify: _____

Please provide Non-ERISA Plan Year: ____ / ____ / ____
Month Day Year

For more information regarding ERISA, contact your Legal Advisor.

*All as defined by ERISA and/or other applicable law/regulations.

BENEFIT PLAN SELECTIONS

Understanding the Plan # Sample Plan # : B634ADT		
Metallic Level	B	Bronze, Silver, Gold, Platinum
Benefit Design	634	633, 634 , etc.
Network/Product Name	ADT	ADT = Blue Advantage HMO CHC = Blue Choice PPO HMH = Blue Premier Access

Health Products/Benefit Plan Selection:

The Left hand column lists the benefit designs. Up to three selections from this column are allowed. The corresponding rows to the right of the benefit designs indicate network/product choices for the specified benefit. A maximum of six network/product options may be selected.

If HSA/HDHP is selected, provide name of HSA administrator/trustee:

Benefit Design (select up to 3)		Blue Choice PPO		*Blue Advantage HMO SM		*Blue Premier Access SM	
		(select up to 6)					
<input type="checkbox"/>	B600	<input type="checkbox"/>	B600CHC				
<input type="checkbox"/>	B603			<input type="checkbox"/>	B603ADT		
<input type="checkbox"/>	B604	<input type="checkbox"/>	B604CHC				
<input type="checkbox"/>	B606	<input type="checkbox"/>	B606CHC				
<input type="checkbox"/>	B607	<input type="checkbox"/>	B607CHC				
<input type="checkbox"/>	B633	<input type="checkbox"/>	B633CHC				
<input type="checkbox"/>	B634	<input type="checkbox"/>	B634CHC	<input type="checkbox"/>	B634ADT	<input type="checkbox"/>	B634HMH
<input type="checkbox"/>	B635					<input type="checkbox"/>	B635HMH
<input type="checkbox"/>	B651			<input type="checkbox"/>	B651ADT		
<input type="checkbox"/>	B652	<input type="checkbox"/>	B652CHC	<input type="checkbox"/>	B652ADT		
<input type="checkbox"/>	BV34					<input type="checkbox"/>	BV34HMH
<input type="checkbox"/>	BV35					<input type="checkbox"/>	BV35HMH
<input type="checkbox"/>	BV51			<input type="checkbox"/>	BV51ADT		
<input type="checkbox"/>	BV52	<input type="checkbox"/>	BV52CHC	<input type="checkbox"/>	BV52ADT		
<input type="checkbox"/>	S600			<input type="checkbox"/>	S600ADT		
<input type="checkbox"/>	S601	<input type="checkbox"/>	S601CHC	<input type="checkbox"/>	S601ADT		
<input type="checkbox"/>	S602	<input type="checkbox"/>	S602CHC				
<input type="checkbox"/>	S603			<input type="checkbox"/>	S603ADT		
<input type="checkbox"/>	S604	<input type="checkbox"/>	S604CHC				
<input type="checkbox"/>	S605	<input type="checkbox"/>	S605CHC	<input type="checkbox"/>	S605ADT		

<input type="checkbox"/>	S606	<input type="checkbox"/>	S606CHC	<input type="checkbox"/>	S606ADT	<input type="checkbox"/>	S606HMH
<input type="checkbox"/>	S607	<input type="checkbox"/>	S607CHC	<input type="checkbox"/>	S607ADT	<input type="checkbox"/>	S607HMH
<input type="checkbox"/>	S608	<input type="checkbox"/>	S608CHC	<input type="checkbox"/>	S608ADT		
<input type="checkbox"/>	S609	<input type="checkbox"/>	S609CHC	<input type="checkbox"/>	S609ADT	<input type="checkbox"/>	S609HMH
<input type="checkbox"/>	S610	<input type="checkbox"/>	S610CHC	<input type="checkbox"/>	S610ADT	<input type="checkbox"/>	S610HMH
<input type="checkbox"/>	S611	<input type="checkbox"/>	S611CHC	<input type="checkbox"/>	S611ADT		
<input type="checkbox"/>	S613	<input type="checkbox"/>	S613CHC				
<input type="checkbox"/>	S616	<input type="checkbox"/>	S616CHC				
<input type="checkbox"/>	SV06					<input type="checkbox"/>	SV06HMH
<input type="checkbox"/>	SV07					<input type="checkbox"/>	SV07HMH
<input type="checkbox"/>	SV09					<input type="checkbox"/>	SV09HMH
<input type="checkbox"/>	SV10					<input type="checkbox"/>	SV10HMH
<input type="checkbox"/>	G602	<input type="checkbox"/>	G602CHC				
<input type="checkbox"/>	G603	<input type="checkbox"/>	G603CHC	<input type="checkbox"/>	G603ADT		
<input type="checkbox"/>	G605	<input type="checkbox"/>	G605CHC	<input type="checkbox"/>	G605ADT		
<input type="checkbox"/>	G606			<input type="checkbox"/>	G606ADT		
<input type="checkbox"/>	G608	<input type="checkbox"/>	G608CHC	<input type="checkbox"/>	G608ADT		
<input type="checkbox"/>	G609	<input type="checkbox"/>	G609CHC				
<input type="checkbox"/>	G610	<input type="checkbox"/>	G610CHC	<input type="checkbox"/>	G610ADT		
<input type="checkbox"/>	G611			<input type="checkbox"/>	G611ADT		
<input type="checkbox"/>	G613	<input type="checkbox"/>	G613CHC				
<input type="checkbox"/>	G617	<input type="checkbox"/>	G617CHC	<input type="checkbox"/>	G617ADT		
<input type="checkbox"/>	G618			<input type="checkbox"/>	G618ADT		
<input type="checkbox"/>	G619	<input type="checkbox"/>	G619CHC				
<input type="checkbox"/>	G620	<input type="checkbox"/>	G620CHC	<input type="checkbox"/>	G620ADT	<input type="checkbox"/>	G620HMH
<input type="checkbox"/>	G622	<input type="checkbox"/>	G622CHC	<input type="checkbox"/>	G622ADT		
<input type="checkbox"/>	G623	<input type="checkbox"/>	G623CHC	<input type="checkbox"/>	G623ADT		
<input type="checkbox"/>	G632			<input type="checkbox"/>	G632ADT		
<input type="checkbox"/>	G653			<input type="checkbox"/>	G653ADT		
<input type="checkbox"/>	GV20					<input type="checkbox"/>	GV20HMH
<input type="checkbox"/>	GV53			<input type="checkbox"/>	GV53ADT		
<input type="checkbox"/>	P600	<input type="checkbox"/>	P600CHC	<input type="checkbox"/>	P600ADT		

<input type="checkbox"/>	P601	<input type="checkbox"/>	P601CHC	<input type="checkbox"/>	P601ADT		
<input type="checkbox"/>	P602	<input type="checkbox"/>	P602CHC	<input type="checkbox"/>	P602ADT		
<input type="checkbox"/>	P604			<input type="checkbox"/>	P604ADT		
<input type="checkbox"/>	P610	<input type="checkbox"/>	P610CHC				

*If a Blue Premier Access or Blue Advantage HMO product/benefit plan (with the **exception** of G632ADT plan) is selected, please complete, sign and submit a Disclosure Statement with this Application for Amendment.

Additional Information: _____

DENTAL PRODUCTS/BENEFIT PLAN SELECTION:															
<p>Plan Pairings (Groups 10+) True Group Any one true group high option can be paired with any one true group low option; DTXHM11 can be freely paired with any true group.</p> <table style="width: 100%; border: none;"> <tr> <td style="text-align: center;"><u>High Option</u></td> <td style="text-align: center;"><u>Low Option</u></td> </tr> <tr> <td style="text-align: center;">DTXHR01</td> <td style="text-align: center;">DTXLR06</td> </tr> <tr> <td style="text-align: center;">DTXHR02</td> <td style="text-align: center;">DTXLR07</td> </tr> <tr> <td style="text-align: center;">DTXHR03</td> <td style="text-align: center;">DTXLM08</td> </tr> </table> <p>Voluntary Any one voluntary high option can be paired with any one voluntary low option. DTXHM15 can be freely paired with any one voluntary option.</p> <table style="width: 100%; border: none;"> <tr> <td style="text-align: center;"><u>High Option</u></td> <td style="text-align: center;"><u>Low Option</u></td> </tr> <tr> <td style="text-align: center;">DTXHR12</td> <td style="text-align: center;">DTXLM14</td> </tr> <tr> <td style="text-align: center;">DTXHM13</td> <td></td> </tr> </table>	<u>High Option</u>	<u>Low Option</u>	DTXHR01	DTXLR06	DTXHR02	DTXLR07	DTXHR03	DTXLM08	<u>High Option</u>	<u>Low Option</u>	DTXHR12	DTXLM14	DTXHM13		<p>Participation Requirements True Group >75% participation >50% employer contribution</p> <p>Voluntary >25% participation Employers are not required to contribute to Voluntary Dental plans</p>
<u>High Option</u>	<u>Low Option</u>														
DTXHR01	DTXLR06														
DTXHR02	DTXLR07														
DTXHR03	DTXLM08														
<u>High Option</u>	<u>Low Option</u>														
DTXHR12	DTXLM14														
DTXHM13															

DENTAL PLAN SELECTION		
	Plan #	Segment
High Coverage Allocation		
<input type="checkbox"/>	DTXHR01	True Group
<input type="checkbox"/>	DTXHR02	True Group
<input type="checkbox"/>	DTXHR03	True Group
<input type="checkbox"/>	DTXHR04	True Group
<input type="checkbox"/>	DTXHM09	True Group
<input type="checkbox"/>	DTXHM11	True Group
<input type="checkbox"/>	DTXHR12	Voluntary
<input type="checkbox"/>	DTXHM13	Voluntary
<input type="checkbox"/>	DTXHM15	Voluntary
Low Coverage Allocation		
<input type="checkbox"/>	DTXLR05	True Group
<input type="checkbox"/>	DTXLR06	True Group
<input type="checkbox"/>	DTXLR07	True Group
<input type="checkbox"/>	DTXLM08	True Group
<input type="checkbox"/>	DTXLM10	True Group
<input type="checkbox"/>	DTXLM14	Voluntary

The following mandated benefit offers are made by BCBSTX in compliance with Texas regulations.
Please mark your acceptance or declination. Acceptance may result in a rate adjustment.

THE FOLLOWING MANDATED BENEFIT OFFERS ARE ALREADY INCLUDED IN THE PPO AND HMO PLANS

- Treatment of mental or emotional illness
- Treatment of loss or impairment of speech or hearing
- Treatment of serious mental illness

MANDATED BENEFIT OFFERS

In Vitro Fertilization Services - (must choose one)

- Accept – Outpatient benefits are paid same as any other pregnancy-related expense (**Note: If selected an additional charge will be added to your rates.**)
- Decline – If declined, no benefits are available

The Employer understands and agrees to comply with the following requirements regarding the Health Benefit Plan(s) elected:

- Applications/Declinations are attached for all full-time employees as well as any COBRA or state participant continuations.
- **Minimum Participation and Employer Contribution :**
BCBSTX reserves the right to: 1) restrict new business enrollment in health insurance coverage to open or special enrollment periods unless the 50% minimum employer contribution is met and at least 75% of eligible employees (less valid waivers) have enrolled for coverage; and 2) review participation and contribution on existing business and non-renew or discontinue health coverage if the 50% minimum employer contribution is not met and/or less than 75% of Eligible Persons (less valid waivers) are enrolled for coverage for six consecutive months.

If applicable, BCBSTX reserves the right to change premium rates when a substantial change occurs in the number or composition of subscribers covered. A substantial change will be deemed to have occurred when the number of Employees/Subscribers covered changes by ten percent (10%) or more over a thirty (30) day period or twenty five percent (25%) or more over a ninety (90) day period.

Employer will promptly notify BCBSTX of any change in participation and Employer contribution.
- The Employer must provide eligibility and enrollment information, effective dates of employment, and all other data necessary for the efficient administration of the Health Benefit Plan(s) elected, according to the terms and requests of BCBSTX.
- After approval by BCBSTX the Health and/or Dental Benefit Plan(s) applied for, individuals will become effective on the first day of the contract/participation month following satisfaction of the Waiting Period (if any, but not to exceed 90 days). Employees whose applications are received more than 31 days after date-of-hire or received after expiration of the Waiting Period will be considered late enrollees and will be eligible to enroll during the next open enrollment period.
- The Employer, while not an agent of BCBSTX, will be responsible for collection of premiums from employees, will notify employees of the termination of their coverages and will forward to employees notices and/or amendments sent by BCBSTX to the Employer. The Employer will be bound by the terms of the Contract(s)/Policy(ies) issued pursuant to this Employer Application and such shall serve as the basis to resolve any conflict. When issued, the Contract(s)/Policy(ies) will include this Employer Application and any Addenda issued pursuant to this Employer Application.
- Premium rates for the coverages applied for are determined by BCBSTX and will become a part of the Contract(s)/Policy(ies) issued by BCBSTX and any amendments thereto.
- This Benefit Program Employer Application must pre-date the requested effective date and be received by BCBSTX at its Home Office no less than thirty (30) days prior to the requested effective date.
- Retirees are not eligible for coverage hereunder.
- Under Texas state law, **eligible employee** means an employee who works on a full-time basis and who usually works at least 30 hours a week. The term includes a sole proprietor, a partner, and an independent contractor, if the individual is included as an employee under a health benefit plan of a small employer regardless of the number of hours the sole proprietor, partner, or independent contractor works weekly, but only if the plan includes at least two other eligible

employees who work on a full-time basis and who usually work at least 30 hours a week. The term does not include an Employee who: (1) works on a part-time, temporary, seasonal, or substitute basis, or (2) is covered under (a) another Health Benefit Plan, or (b) a self-funded or self-insured employee welfare benefit plan that provides health benefits and that is established in accordance with the Employee Retirement Income Security Act of 1974, or (3) elects not to be covered under the small employer's health benefit plan and is covered under (a) the Medicaid program; (b) another federal program, including the TRICARE program or Medicare program; or (c) a benefit plan established in another country.

- Dependent children under age 26 are eligible for coverage until their 26th birthday. Dependent child, used hereafter, means a natural child, a stepchild, an eligible foster child, a medical support order child, an adopted child or child placed for adoption (including a child for whom the employee or his/her spouse, or Domestic Partner, if Domestic Partner coverage is elected, is a party in a legal action in which the adoption of the child is sought), under twenty-six (26) years of age, regardless of presence or absence of a child's financial dependency, residency, student status, employment status, marital status, eligibility for other coverage, or any combination of those factors. A child not listed above who is legally and financially dependent upon the employee or spouse (or Domestic Partner, if Domestic Partner coverage is elected) is also considered a Dependent child under the Group Health Plan, provided proof of dependency is provided with the child's application. To be eligible for coverage, a child of an employee's child must also be dependent upon employee for federal income tax purposes at the time application for coverage is made.

A Dependent child who is medically certified as disabled and dependent upon the employee or his/her spouse (or Domestic Partner, if Domestic Partner coverage is elected) is eligible to continue coverage beyond the limiting age, provided the disability began before the child attained the age of 26.

- The producer(s) or agency(ies), specified in the Producer's Statement section below, is/are recognized as Employer's Producer of Record (POR) to act as representative in negotiations with and to receive commissions from Blue Cross and Blue Shield of Texas, a division of Health Care Service Corporation (HCSC), a Mutual legal Reserve Company, and HCSC subsidiaries for Employer's employee benefit programs. This statement rescinds any and all previous POR appointments for Employer. The POR is authorized to perform membership transactions on behalf of Employer. This appointment will remain in effect until withdrawn or superseded in writing by Employer.
- For the current year's premium and rate information, refer to the accepted finalized new group rates letter ("Letter") or the renewal exhibit ("Exhibit") for complete details. The Letter, or Exhibit, shall be incorporated by reference and made part of the BPA and Group Administration Document.

Application is hereby made to Dearborn National® Life Insurance Company (herein called "Dearborn National") for a Life Insurance Plan (including Term Life Insurance, Accidental Death and Dismemberment (AD&D), Dependents' Life, and/or Short Term Disability (STD)).

I. Group Life Administration Information

Eligibility: All active employees All active employees enrolled for health insurance who work a minimum of 30 hours per week excluding seasonal, temporary, or retired employees

Benefit: All employees according to the following schedule:

Class	Job Title, as shown on the enrollment form	Life & AD&D Benefit Amount	STD Amount (if elected)
1			
2			
3			

	Term Life/AD&D	Dependents' Life	STD
Total eligible employees: _____			
Total enrolling:			

Contract Anniversary Date: 12 months from Contract Effective Date Other _____

II. Term Life Insurance and AD&D: Applied For Not Applied For

Complete Life and AD&D Benefit Amount in Section I	Guarantee Issue Maximum: \$
Rates: <input type="checkbox"/> Step-Rated <input type="checkbox"/> Composite Rated	(Include a copy of the rating exhibit if rated in the field)
Employer Contribution: <input type="checkbox"/> 100% <input type="checkbox"/> Other _____ %	(Minimum 25% Employer contribution required)
Life/AD&D Reductions due to Attained Age (All benefits terminate at retirement):	
<input type="checkbox"/>	Reduces by 35% at age 65, to 50% of the original benefit at age 70, to 25% of the original benefit at age 75, and to 15% of the original benefit at age 80. (Standard under 10 eligible lives)
<input type="checkbox"/>	Reduces by 35% at age 65 and to 50% of the original benefit at age 70. (Unavailable under 10 eligible lives)
<input type="checkbox"/>	Reduces to 50% at age 70. (Unavailable under 10 eligible lives)
Term Life is <input type="checkbox"/> in addition to, or <input type="checkbox"/> replacement of current term life coverage	<input type="checkbox"/> no current carrier
If replacement, give current carrier: _____	Termination date of prior plan: _____

III. Dependents' Term Life Insurance: Applied For (offered only with Term Life/AD&D) Not Applied For

Benefits:	Spouse	\$
Rate: \$	Child(ren) age 15 days up to 6 months:	\$
Employer Contribution: _____ %	Child(ren) age 6 months. up to age 25 & Students:	\$

IV. Short Term Disability (STD) Insurance: Applied For (offered only with Term Life/AD&D) Not Applied For

Wage-Based Benefit: <input type="checkbox"/> 50% <input type="checkbox"/> 60% <input type="checkbox"/> 66 2/3% of Basic Weekly Wages to a Benefit Maximum of \$
Flat Benefit: <input type="checkbox"/> \$50 <input type="checkbox"/> \$100 <input type="checkbox"/> \$150 <input type="checkbox"/> \$200 <input type="checkbox"/> \$250 not to exceed 66 2/3% of Basic Weekly Wages
Class Defined Plan: Complete STD amount in Section I
Benefits Begin: Due to an Accident: (select one) <input type="checkbox"/> 1 st day <input type="checkbox"/> 8 th day <input type="checkbox"/> 15 th day <input type="checkbox"/> 31 st day
Due to Sickness: (select one) <input type="checkbox"/> 8 th day <input type="checkbox"/> 15 th day <input type="checkbox"/> 31 st day
Maximum Weekly Benefit Duration: <input type="checkbox"/> 13 weeks <input type="checkbox"/> 26 weeks
Rates: <input type="checkbox"/> Step-Rated <input type="checkbox"/> Composite Rated (Include a copy of the rating exhibit if rated in the field)
Employer Contribution: <input type="checkbox"/> 100% <input type="checkbox"/> Other _____ % (Minimum 25% Employer contribution required)
STD is <input type="checkbox"/> in addition to, or <input type="checkbox"/> replacement of current STD coverage
<input type="checkbox"/> no current STD carrier
If replacement, give current carrier: _____
Termination date of prior plan: _____
STD benefits are payable for non-occupational disabilities only.
STD benefits terminate at retirement.

The undersigned represents he/she is an Employer engaged in (groups with 2 to 9 employees must check ✓ one):

Wholesale, Retail, or Distribution Business; or Service Business; or Manufacturing Business

The Employer agrees to comply with all terms and provisions of the Group Life and/or Disability Contracts(s) issued, and trust agreements, if applicable, and also accepts enrollment under the Dearborn National trust policy(ies), if applicable. The Employer further agrees to comply with the following requirements:

1. For Life and STD, if coverage is contributory, a minimum of 75% of the eligible employees must enroll. If coverage is non-contributory, 100% of the eligible employees must enroll.
2. Group term life, for groups with less than ten (10) eligible employees, may be sold on a contributory basis, however, in no event may the contribution by the insured employee exceed forty cents (\$0.40) per thousand dollars of coverage per month.
3. STD may be sold on a contributory basis; however, the Employer must contribute a minimum of 25%. STD is available only if group term life and AD&D is selected.
4. Coverage for employees who are not actively at work, as defined in the policy, on the date their coverage would otherwise become effective will be deferred until the date they return to active work.
5. If life and AD&D benefits are selected by occupational class, there must be at least one eligible employee in each class, and no class may have a benefit greater than 2½ times the amount for the next lower class.
6. The Employer shall remit all required premium payments to Dearborn National no later than the first day of each billing period. If the premium payments are not received by Dearborn National, insurance for the Employer and all covered employees shall cease in accordance with the terms of the Policy.
7. The Employer shall provide eligibility and enrollment information, dates of employment, and all other data necessary for the efficient administration of the Dearborn National Life and/or Disability Insurance Plan.
8. Coverage for the Employer may be amended from time to time, and the Employer's participation may be terminated with 31 days written notice by Dearborn National in accordance with the terms of the Policy. Dearborn National reserves the right to change premium rates for reasons including, but not limited to, change in benefit design or Policy terms, change of industry, utilization within the industry, or other factors bearing on the assumed risk.
9. Dearborn National reserves the right to terminate the Employer's participation in the Life Insurance Plan if the Employer fails to maintain compliance with the requirements set forth herein.
10. Benefit amounts in excess of the guarantee issue and all late applications for contributory coverage are subject to satisfactory evidence of insurability. The Employer agrees not to collect any premium from employees on amounts for which satisfactory evidence of insurability is required until notified by Dearborn National of the approval of the employee's application for coverage.

EMPLOYER: DO NOT CANCEL CURRENT COVERAGE UNTIL NOTIFIED BY BCBSTX AND/OR DEARBORN NATIONAL THAT THIS EMPLOYER APPLICATION HAS BEEN APPROVED.

ELECTRONIC RECEIPT OF CERTIFICATE-BOOKLETS AND CONTRACTS

Electronic Issuance: The Employer consents to receive, via an electronic file or access to an electronic file, any Certificate Booklet provided by BCBSTX to the Employer for delivery to each Employee. The Employer further agrees that it is solely responsible for providing each Employee access to the most current version of any E-file Certificate Booklet, amendment, or other revised form provided by BCBSTX, or to provide a paper copy of the same to an Employee upon request or to an HMO subscriber who has not agreed to accept the certificate of coverage electronically. The Employer is solely responsible and holds BCBSTX harmless from any misuse of the E-file provided by BCBSTX.

Accept – Employer consents to receive electronic versions of certificate-booklets for covered Employees. If accepted, please ensure that a valid email address is entered in the Email Address of Authorized Company Official field on page 1.

Decline – Employer does not consent to receive electronic versions of certificate-booklets for covered Employees or the Contract and desires BCBSTX to print and distribute hard copy versions.

I have read and understand this Employer's Application, and the producer, if any, named below is authorized to represent the Employer in the purchase of the Benefit Plan(s). This Employer Application is incorporated into and made a part of the Contract entered into and agreed upon by BCBSTX and the Employer. For HMO, the title of the contract is HMO Group Agreement. For non-HMO, the title of the contract is Group Administration Document. For dental, the title of the contract is Dental Group Administration Document.

Changes in state or federal law or regulations or interpretations thereof may change the terms and conditions of coverage.

I acknowledge that the producer(s) or agency(ies) named on the producer's Statement page is/are acting on behalf of the Employer for purposes of purchasing Employer insurance, and that if BCBSTX/Dearborn National accept this Employer Application and issues a Group Contract/Policy/Agreement to the Employer, BCBSTX/Dearborn National may pay the producer(s)/agency(ies) a commission and/or other compensation in connection with the issuance of such Group Contract/Policy. The undersigned further acknowledges that if the Employer desires additional information regarding any commissions or other compensation paid the producer(s)/agency(ies) by BCBSTX/Dearborn National in connection with the issuance of a Group Contract/Policy, they should contact the producer(s)/agency(ies).

I certify that all statements contained in this Employer Application and all information required to be furnished to BCBSTX/Dearborn National are complete and true to the best of my knowledge and belief. I understand that BCBSTX/Dearborn National will rely on the statements made and information furnished, as the basis in determining the appropriate rate level and/or approval of this Employer Application. I understand that no insurance or changes will become effective without approval of BCBSTX/Dearborn National. The requested Contract(s)/Policy(ies) effective date (as listed on page 1) is subject to change by BCBSTX/Dearborn National if all required documents are not completed and received by the date requested. If documents are not received by the date requested, the Employer will be required to complete a new Employer Application.

ADDITIONAL PROVISIONS:

- A. Grandfathered Health Plans:** Employer shall provide BCBSTX with written notice prior to renewal (and during the plan year, at least 60 days advance written notice) of any changes in its Contribution Rate Based on Cost of Coverage or Contribution Rate Based on a Formula towards the cost of any tier of coverage for any class of Similarly Situated Individuals as such terms are described in applicable regulations. Any such changes (or failure to provide timely notice thereof) can result in retroactive and/or prospective changes by BCBSTX to the terms and conditions of coverage. In no event shall BCBSTX be responsible for any legal, tax or other ramifications related to any benefit package of any group health insurance coverage (each hereafter a "plan") qualifying as a "grandfathered health plan" under the Affordable Care Act and applicable regulations or any representation regarding any plan's past, present and future grandfathered status. The grandfathered health plan form ("Form"), if any, shall be incorporated by reference and part of the BPA and Group Policy, and Employer represents and warrants that such Form is true, complete and accurate. If Employer fails to timely provide BCBSTX with any requested grandfathered health plan information, BCBSTX may make retroactive and/or prospective changes to the terms and conditions of coverage, including changes for compliance with state or federal laws or regulations or interpretations thereof.
- B. Retiree Only Plans and/or Excepted Benefits:** If the BPA includes any retiree only plans and/or excepted benefits, then Employer represents and warrants that one or more such plans is not subject to some or all of the provisions of Part A (Individual and Group Market Reforms) of Title XXVII of the Public Health Service Act (and/or related provisions in the Internal Revenue Code and Employee Retirement Income Security Act) (an "exempt plan status"). Any determination that a plan does not have exempt plan status can result in retroactive and/or prospective changes by BCBSTX to the terms and conditions of coverage. In no event shall BCBSTX be responsible for any legal, tax or other ramifications related to any plan's exempt plan status or any representation regarding any plan's past, present and future exempt plan status.
- C. Religious Employer Exemption or Eligible Organization Accommodation:** Although federal regulations describe a limited exemption for certain group health plans from the Affordable Care Act requirement to cover contraceptive services under guidelines supported by the Health Resources and Services Administration (HRSA), your insurance Policy must comply with applicable state requirements regarding contraceptive coverage. Accordingly, your Policy currently includes coverage for contraceptives consistent with the state and federal coverage requirements and applicable exemptions. Some contraceptives may be covered without cost to the employee."
- D.** Policyholder will provide BCBSTX with immediate written notice in the event Employer and/or any of the entities referenced above no longer qualify for the religious employer exemption and/or eligible organization accommodation (as they may be amended, replaced or superseded from time to time). Employer shall indemnify and hold harmless BCBSTX and its directors, officers and employees against any and all loss, liability, damages, fines penalties, taxes, expenses (including attorneys' fees and costs) or other costs or obligations resulting from or arising out of any claims lawsuits, demands, governmental inquiries or actions, settlements or judgments brought or asserted against BCBSTX in connection with (a) any plan's exempt status, (b) religious employer exemption and/or eligible organization accommodation, (c) any plan's design (including but not limited to any directions, actions and interpretations of the Policyholder, and/or (d) any provision of inaccurate information. Changes in state or federal law or regulations or interpretations thereof may change the terms and conditions of coverage.

The provisions of paragraphs A-D (directly above) shall be in addition to (and do not take the place of) the other terms and conditions of coverage and/or administrative services between the parties.

ACA FEE NOTICE: ACA established a number of taxes and fees that will affect our customers and their benefit plans. One of those fees is: the Annual Fee on Health Insurers or “Health Insurer Fee.”

Section 9010(a) of ACA requires that “covered entities” providing health insurance (“health insurers”) pay an annual fee to the federal government, commonly referred to as the Health Insurer Fee. The amount of this fee for a given calendar year will be determined by the federal government and currently involves a formula based in part on a health insurer’s net premiums written with respect to health insurance on certain health risk during the preceding calendar year. This fee will go to help fund premium tax credits and cost-sharing subsidies offered to certain individuals who purchase coverage on health insurance exchanges.

In addition, ACA Section 1341 and/or other applicable laws may provide for the establishment of a temporary reinsurance program(s) that may be funded by reinsurance contributions or other amounts (collectively, the “Reinsurance Fees or Amounts”) collected from health insurance issuers and/or self-funded group health plans. Federal and/or state governments may provide information as to how these Reinsurance Fees or Amounts are calculated. Federal regulations establish a flat per member per month fee. The temporary reinsurance programs funded by these Reinsurance Fees or Amounts will help stabilize premiums in the individual market.

Your premium, which already accounts for current applicable federal and state taxes, includes the effects of the Health Insurer Fees and Reinsurance Fees or Amounts, if any. These rates may be adjusted on an annual basis for any incremental changes in Health Insurer Fees and Reinsurance Fees or Amounts, if any.

Notwithstanding anything in the Policy or Renewal(s) to the contrary, BCBSTX reserves the right to revise our charge for the cost of coverage (premium or other amounts) at any time if any local, state or federal legislation, regulation, rule or guidance (or amendment or clarification thereto) is enacted or becomes effective/implemented, which would require BCBSTX to pay, submit or forward, on its own behalf or on the Policyholder’s behalf, any additional tax, surcharge, fee, or other amount (all of which may be estimated, allocated or pro-rated amounts).

For Employer:

Name of Authorized Company Official (please print)

Title

Signature of Authorized Company Official

City and State of signing official

Date

**PRODUCER'S STATEMENT
TO BE COMPLETED BY PRODUCER(S) - PLEASE PRINT**

PRODUCER'S

I certify that I have reviewed all enrollment materials and I have advised the Employer not to terminate any existing coverage(s) until receiving notice that BCBSTX/Dearborn National have accepted and approved this Employer Application. I have advised the Employer of its rights as a small group employer to purchase the **HMO** Blue Advantage Benefits Plans. I have also advised the Employer that I have no authority to bind these coverages, to alter the terms of the Contract(s)/Policy(ies), this Employer Application, or enrollment material in any manner or to adjust any claims for benefits under the Contract(s)/Policy(ies).

Writing **Producer's** name (please print) _____

E-Mail Address _____

Writing **Producer's** signature

Producer #

Date

Telephone #

BCBSTX Sales Representative

Date

1. Primary **Producer's** or Agency Name* (to whom commissions are to be paid): _____

(Please also use 2. below, for split commissions)

Percentage of Split**: _____

Complete Address: _____

Tax ID/SSN: _____

Producer #: _____

FAX number: _____

Name and phone # of agent to contact for this case: _____

Contact's E-mail address (please print clearly): _____

2. **Producer's** or Agency Name* (if commissions are to be split): _____

Percentage of Split**: _____

Street, City, ZIP: _____

Tax ID/SSN: _____

Producer #: _____

FAX number: _____

Contact's E-Mail address (please print clearly): _____

3. General Agent Name (if applicable): _____

Street, City, ZIP: _____

Tax ID/SSN: _____

Producer #: _____

FAX number: _____

Contact name and telephone number for this case: _____

Contact's E-Mail address (please print clearly): _____

General Agent's Signature: _____

* The **Producer** or agency name(s) above to whom commissions are to be paid must exactly match the name(s) on the appointment application(s).

If commissions are to be split, please provide the information requested above on both **Producers or agencies. **Both Producers** or agencies must be appointed to do business with BCBSTX and/or Dearborn National and total commissions paid must equal 100%.



BlueCross BlueShield
of Texas

eSales Tools

Routing Sheet

Small Group Enrollment - Binder Check

Account Number: _____

Account Name: _____

Effective Date: _____

Check Number: _

Check Amount: _

APPLY CHECK AS FOLLOWS:

\$ TO BCBS FOR HEALTH/DENTAL COVERAGE(S)

\$ TO DEARBORN NATIONAL FOR LIFE PRODUCTS

Submit Binder Check along with this form to:

Blue Cross Blue Shield
Western Service Center
1001 E. Lookout Dr.
Building B, 12th Floor
Richardson, TX 75082



**BlueCross BlueShield
of Texas**

**TEXAS DEPARTMENT OF INSURANCE
REQUIRED DISCLOSURE NOTICE FOR ALL GROUP HMO
CONSUMER CHOICE BENEFIT PLANS ISSUED IN TEXAS**

As required by 28 TAC §21.3530, I have been informed that the Consumer Choice Health Benefit Plan that I am purchasing does not include all state mandated health insurance benefits. I understand that the following benefits are provided at a reduced level from what is mandated, or excluded completely from the plan.

Mandated Benefit Description	Benefit Reduced	Benefit Excluded
<p>Copayments Section 11.506(2)(A), Subchapter F, Title 28 Texas Insurance Code: A reasonable copayment option may not exceed 50 percent of the total cost of services provided. A basic service HMO may not impose copayment charges on any enrollee in any calendar year, when the copayments made by the enrolled in that calendar year total two hundred percent of the total annual premium cost which is required to be paid by or on behalf of that enrollee.</p>	<p>For some services and supplies, this plan may include cost-sharing that exceeds the limits imposed by the mandate.</p>	
<p>Deductibles Section 11.506(2)(B), Subchapter F, Title 28 Texas Insurance Code: A deductible shall be for specific dollar amount of the cost of the basic, limited or single health care service. An HMO shall charge a deductible only for services performed out of the HMO's service area or for services performed by a physician or provider who is not in the HMO's delivery network.</p>	<p>Deductibles may apply to some services provided by HMO Participating Providers in the HMO service area.</p> <p>Deductibles may apply to Professional Services, Inpatient Hospital Services, Outpatient Facility Services, Outpatient Lab and X-Ray Services, Rehabilitation Services and Habilitation Services, Maternity Care and Family Planning, Behavioral Health Services, Emergency and Ambulance Services, Extended Care Services, some Preventive Care Services, Dental Surgical Procedures, Cosmetic, Reconstructive or Plastic Surgery, Allergy Care, Diabetes Care, Prosthetic Appliances, Orthotic Devices, Durable Medical Equipment, Hearing Aids and Prescription Drugs.</p>	
<p>Coverage for Telehealth and Telemedicine Services: Chapter 1455 (b), Texas Insurance Code</p>		Not Covered
<p>Coverage for therapies for children with developmental delays: Subchapter E, Texas Insurance Code Chapter 1367</p>		Not Covered

A Division of Health Care Service Corporation, a Mutual Legal Reserve Company,
an Independent Licensee of the Blue Cross and Blue Shield Association



Indicate N/A in any sections that do not apply to your group

SECTION A

Employer Name	Employer Tax ID #
Account # (renewing groups only)	

SECTION B

MEDICARE SECONDARY PAYER (MSP) EMPLOYER ACKNOWLEDGEMENT

Under federal law, it is the employer's responsibility to inform its insurer or third-party administrator of proper employee counts for the purpose of determining payment priority between Medicare and another insurer. Employer size, not group health plan size, is used in determining whether the group health plan or Medicare is the primary payer. **In the absence of employer-provided employee counts, CMS requires that the employer's group health plan coverage be considered primary to Medicare. Fax or email completed form to 312-233-4244; data_collection@bcbsil.com. A response is required for every question. For help in completing this form, refer to the Instructions – Completing the Annual MSP Employer Acknowledgement located at the end of this document.**

New BCBSTX clients please check the applicable box:			
		<input type="checkbox"/>	The client was not in business the preceding calendar year
		<input type="checkbox"/>	The client was in business during the preceding year
Current BCBSTX clients please check the correct box:			
		<input type="checkbox"/>	Submitting this form as an update
		<input type="checkbox"/>	Submitting this form as an error correction
Do you have any affiliates or subsidiaries? If "yes," list name of each: _____			<input type="checkbox"/> Yes <input type="checkbox"/> No
Some of the following responses are based on the current calendar year, while others are based on the preceding year. Unless making an update or error correction, please use the year of your upcoming renewal as 'current year' when answering the following questions. For example, if your upcoming renewal is effective July 1, 2016, base your current year answers on 2016. Or, if your upcoming renewal is effective January 1, 2017, base your current year answers on 2017. If there have not yet been 20 weeks in the current calendar year, base your answer on current employee current year count. Understand that you are obligated to notify BCBSTX if and when your status changes.			Current year
Please indicate the current calendar year for which the form is being completed:			
1. In the year immediately prior to the current calendar year, did you file a separate federal tax return that is not consolidated with another individual or entity? If you are not required to file a federal tax return, please check N/A.	<input type="checkbox"/> N/A	<input type="checkbox"/> Yes	<input type="checkbox"/> No
2. How many employees did all the entities on the preceding calendar year's tax return have on the payroll (whether full-time, part-time, seasonal, or partners) during the preceding calendar year? Enter number of employees.	# of employees		
3. Are you part of a multi-employer group health plan? The term "multi-employer group health plan" means any trust, plan, association or any other arrangement made by one or more employers or by employers and unions to offer, contribute to, sponsor, or directly provide health benefits. Questions 5 and 7 must also be completed.	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
4. Did you have 20 or more (full-time, part-time, seasonal, or partners) total employees for each working day in each of 20 or more calendar weeks in the current or preceding calendar year? ➔ Check 'Yes' or 'No' for both the current and preceding calendar years <input type="checkbox"/> If you checked "Yes" for the current calendar year, and the threshold was met during the current year, please check this box and enter the date the threshold was met in the following space. ____/____/_____ <input type="checkbox"/> If you check "No" for the current year and your answer changes to "Yes" at any time, you must promptly notify BCBSTX by completing a new EGI, checking this box and entering the date the threshold was met in the space above.	Current Year (see above)	<input type="checkbox"/> Yes	<input type="checkbox"/> No
	Preceding Year	<input type="checkbox"/> Yes	<input type="checkbox"/> No
5. If you are currently or were during the preceding year part of a multi-employer group health plan (as defined in #3), did any one employer that is part of the multi-employer group health plan have 20 or more (full-time, part-time, seasonal, or partners) total employees for each working day in each of 20 or more calendar weeks in the current or preceding calendar year? ➔ If you answered 'Yes' to #3, then check 'Yes' or 'No' for both the current and preceding calendar years ➔ If you answered 'No' to #3, then check 'Yes' or 'No' for the preceding calendar year only	Current Year (see above)	<input type="checkbox"/> Yes	<input type="checkbox"/> No
	Preceding Year	<input type="checkbox"/> Yes	<input type="checkbox"/> No
6. Did you have 100 or more (full-time, part-time, seasonal, or partners) total employees on 50 percent or more of your business days during the preceding calendar year?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
7. If you are part of a multi-employer group health plan (as defined in #3), did any one employer that is part of the multi-employer group health plan have 100 or more (full-time, part-time, seasonal, or partners) total employees on 50 percent or more of your business days during the preceding calendar year?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	

SECTION C

COBRA IS FEDERALLY MANDATED AND APPLIES TO EMPLOYERS WITH 20 OR MORE FULL-TIME OR PART-TIME EMPLOYEES. EMPLOYER PENALTIES FOR NONCOMPLIANCE MAY APPLY.

- a. Did your company employ 20 or more full-time and/or part-time employees for at least 50% of the workdays of the preceding calendar year? Yes No
- b. Are you subject to the Consolidated Omnibus Reconciliation Act (COBRA)? Yes No
If "yes," list names and number of individuals (qualified beneficiaries) currently on COBRA continuation*:

Name of COBRA Continuee	Coverage Type (Individual or Family)	Projected COBRA Termination Date (MM/DD/YYYY)	Type of Coverage Extended
	<input type="checkbox"/> Individual <input type="checkbox"/> Family	____/____/____	<input type="checkbox"/> Health <input type="checkbox"/> Dental
	<input type="checkbox"/> Individual <input type="checkbox"/> Family	____/____/____	<input type="checkbox"/> Health <input type="checkbox"/> Dental
	<input type="checkbox"/> Individual <input type="checkbox"/> Family	____/____/____	<input type="checkbox"/> Health <input type="checkbox"/> Dental

It is your responsibility to annually inform BCBSTX of whether COBRA is applicable to you based upon your full and part-time employee count in the prior calendar year. Failure to advise BCBSTX of a change of status could subject you to governmental sanctions.

*All as defined by ERISA and/or other applicable law/regulations.

Workers' Compensation.

- Are any employees currently receiving Workers' Compensation benefits? Yes No
If "yes," list names and date last worked:

Employee Name	Date Last Worked
	____/____/____
	____/____/____
	____/____/____

State Continuation Privilege on Termination of Coverage.

All employees, members, or dependents are entitled to state continuation of group coverage under certain conditions. List names and number of continued persons currently on state continuation coverage:

Name of State Continuee	Coverage Type (Individual or Family)	Projected State Continuation Termination Date (MM/DD/YYYY)	Type of Coverage Extended
	<input type="checkbox"/> Individual <input type="checkbox"/> Family	____/____/____	<input type="checkbox"/> Health <input type="checkbox"/> Dental
	<input type="checkbox"/> Individual <input type="checkbox"/> Family	____/____/____	<input type="checkbox"/> Health <input type="checkbox"/> Dental
	<input type="checkbox"/> Individual <input type="checkbox"/> Family	____/____/____	<input type="checkbox"/> Health <input type="checkbox"/> Dental

State Continuation of Group Coverage for Certain Dependents.

A dependent of an insured is entitled to state dependent continuation under certain conditions. List names and number of continued dependents on state (3 years) dependent continuation coverage:

Name of State Dependent Continuee	Coverage Type (Individual or Family)	Projected State Continuation Termination Date (MM/DD/YYYY)	Type of Coverage Extended
	<input type="checkbox"/> Individual <input type="checkbox"/> Family	____/____/____	<input type="checkbox"/> Health <input type="checkbox"/> Dental
	<input type="checkbox"/> Individual <input type="checkbox"/> Family	____/____/____	<input type="checkbox"/> Health <input type="checkbox"/> Dental
	<input type="checkbox"/> Individual <input type="checkbox"/> Family	____/____/____	<input type="checkbox"/> Health <input type="checkbox"/> Dental

SECTION D

FOR MLR AND MARKET SEGMENT PURPOSES ONLY

The Affordable Care Act (ACA) established Medical Loss Ratio (MLR) standards for health insurers, which requires that Blue Cross and Blue Shield of Texas report annually whether coverage is in the individual, small group or large group market of a state. Therefore, your assistance is needed to classify your coverage for each MLR reporting year. Generally, the MLR is the percentage of earned premiums that the insurer spends on health care services and quality improvement activities. If the insurer’s MLR is less than ACA’s MLR standard for a group market of a state, the insurer may provide ACA-MLR rebates in that market.

This section and the information you provide will assist us in completing our ACA-MLR report and distributing any ACA-MLR rebates that may be provided for an ACA-MLR reporting year. Please complete the information requested below. This section and the information you provide will also assist us in determining your market segment, products and rates.

1. Employer Size. (Required for new groups only)

For the purpose of determining employer size:

- An “employee” is defined as any individual employed by an employer. An employee includes full-time, part-time and seasonal employees.
- Persons treated as a single employer under Internal Revenue Code Section 414(b), (c), (m) or (o) should be treated as a single employer.
- If your company is wholly owned by an individual (or an individual and his/her spouse), do not include the individual and his/her spouse in your response below.
- Partners in a partnership should not be counted as employees.

Check the box that applies to your company (employer):

- My company (employer) **existed** during the preceding calendar year. What is the average number of employees that your company (employer) employed on business days during the calendar year (January 1 – December 31) preceding the effective date of coverage? For example, if your effective date is July 1, 2016 then you would base your answer on calendar year 2015.
- My company (employer) **did not exist** at any time during the preceding calendar year. What is the average number of employees that your company (employer) is reasonably expected to employ on business days during the current calendar year?

Is your company a partnership? Yes No

2. Church Plan.

In order to provide an ACA-MLR rebate to a policyholder the MLR regulations require that an insurer obtain a written assurance from the policyholder that any rebate will be used for the benefit of enrollees as described in MLR regulations (45 C.F.R. 158.242). If the written assurance is not provided, the MLR regulations require that an insurer distribute any rebate directly to certain subscribers of the plan (rather than to the policyholder).

Does the policyholder listed sponsor a church plan* in connection with the policyholder’s BCBSTX coverage?

- No, the group health plan is NOT a church plan.
- Yes, the group health plan is a church plan. If yes, check one of the following:
- The policyholder **WILL** use any rebate for the benefit of enrollees as described above.
 - The policyholder **WILL NOT** use any rebate for the benefit of enrollees as described above. I understand that, if this box is checked, BCBSTX may distribute any rebate directly to certain subscribers of the plan.

* “Church plan” has the meaning given the term in Internal Revenue Code Section 414(e).

If you have any general questions about this request, please contact our Medical Loss Ratio Hotline at 855-804-3635, 8 a.m. to 6 p.m. CT, Monday through Friday. Should the employer’s or plan’s status change, please contact your account representative.

I, the undersigned, a duly authorized representative of policyholder represent and warrant that the information contained in this Section D is true, correct and complete to the best of my knowledge and belief.

Employer or Authorized Purchaser Signature and Title Date

IMPORTANT NOTE

Under federal law, it is the employer's responsibility to annually inform its insurer or third-party administrator, such as Blue Cross and Blue Shield of Texas (BCBSTX), of proper employee counts for the purpose of determining payment priority between Medicare and another insurer. In the absence of employer-provided employee counts, CMS requires that the employer's group health plan coverage be considered **primary to Medicare**.

Background

When an individual is covered by both Medicare and an employer's group health plan (GHP), Medicare secondary payer (MSP) rules specify that the employer's total size, not group health plan enrollment size, is a factor in determining whether Medicare benefits are primary or secondary. Employer size is a factor in MSP order of payment determinations when the covered individual is Medicare-entitled due to either age ("working aged") or disability.

Employer information – Who is the Employer?

For MSP purposes, the employer is the legal entity that employs the employees. For example, the employer may be an individual, a partnership, or a corporation. In some situations, it may not be clear which corporation or individual is the employer for MSP purposes. In these cases, employers must use Internal Revenue Service aggregation rules provided in the Internal Revenue Code [IRC 26 U.S.C. Sections 52(a), 52(b), 414(n) (2)]. In general, these rules specify that single employers include:

- all employees of all corporations that are members of the same controlled group of corporations, and
- all employees of trades or business (whether incorporated or not), e.g., employees of partnerships, LLCs, proprietorships that are under common control.

The Centers for Medicare & Medicaid Service's (CMS) *MSP Manual* provides additional guidance about aggregation for affiliated service groups and religious orders, as well as authoritative information about employer size and other MSP topics. The *MSP Manual* is available online at <http://www.cms.hhs.gov/Manuals/IOM/list.asp>.

Question 1 – Did you file a separate Federal Tax Return?

If you filed a federal tax return that did not include information about any other individual or entity, check "Yes." If you filed a federal tax return consolidated with another individual or entity, check "No." If you are not required to file a federal tax return, check "N/A."

Question 2 – Employer Size from Your Federal Tax Return Information

How many employees did all the entities listed on the tax return have on the payroll (whether full-time, part-time, seasonal or partners) during the prior calendar year? It is important that you enter the total number of employees for all entities (including parent, subsidiaries and affiliated entities) listed on the tax return, since this may determine whether or not Medicare will be the primary payer of claims. Subsidiaries of foreign companies must count the number of employees of the organization worldwide.

Question 3 – Are you part of a multi-employer group health plan?

Authoritative guidance for determining multiple employer group health plan participation can be found in the Code of Federal Regulations at 29 CFR § 2510.3-37.

Questions 4 and 5 – Working Aged Rule & Employer Size

Under the MSP "working aged" rule, Medicare is secondary to the employer's GHP coverage if the employer's size equals 20 or more employees for each working day in each of 20 or more calendar weeks in the current or preceding calendar year. (*Question 4 refers to this standard as "the threshold."*) Note: The year of your upcoming renewal is the 'current' year. If there have not yet been 20 weeks in the current calendar year, base your answer on current employee count. Understand that you are obligated to notify BCBSTX if and when your status changes. This also applies to multi-employer and multiple employer group health plans in which at least one employer employs 20 or more employees.

- *Counting individuals for the "20-or-more" employer size*
 - Employees counted in the 20-or-more employer size include the total number of nationwide full-time employees, part-time employees, seasonal employees and partners who work or who are expected to report for work on a particular day.
 - Those not counted in the 20-or-more employer size include retirees, COBRA qualified beneficiaries and individuals on other continuation options, and self-employed individuals who participate in the employer's group health plan.

The information in these instructions should not be construed as legal advice or as a legal opinion on any specific facts or circumstances, and is not intended to replace advice of independent legal counsel.

- *Employer size increases to 20 or more during the year*

If the employer's size was below 20 during the preceding year, the employer's GHP coverage becomes primary as soon as the employer has had 20 or more employees on each working day of 20 calendar weeks of the current year. The 20 calendar weeks do not have to be consecutive. Then, the employer's GHP coverage is primary for the remainder of the year and during the following year.

For example, the employer's size meets the 20-or-more employee threshold as of October 1, 2013. The employer's GHP coverage becomes primary for services provided from October 1, 2013 through December 31, 2014.

Please note: If you check "No" for the current year in EAF **Question 4** and your answer changes to "Yes" at any time, you must promptly notify BCBSTX by completing a new EAF and indicating the date the change occurred in the space provided in **Question 4**.

- *Employer size fails to meet the threshold of '20 or more employees during 20 or more weeks' during the year*

If the employer's size met the threshold of 20 or more employees for each working day in each of 20 or more calendar weeks for the preceding year, but during the current calendar year the employer size never meets that threshold, the employer's group health plan remains primary until the end of the current year.

For example, during 2013 the employer's size met the threshold of 20 or more employees for each working day in each of 20 or more calendar weeks. However, during 2014 the employer's size never meets this threshold. The employer's group health plan coverage remains primary through December 31, 2014.

- *Individuals affected by the working aged rule*

The "working aged rule" applies to individuals who are Medicare-entitled due to age (age-65 or older) and

- Are covered under their employer's GHP and have "current employment status" and the employer meets the "20-or-more" employer size requirements (above), or
- Are covered under their spouse's (of any age) employer's GHP and the spouse has current employment status and the employer meets the "20-or-more" employer size requirements (above).

Questions 6 and 7 – Disability Rule & Employer Size

Under the MSP "disability" rule, Medicare benefits are secondary to an employer's large group health plan (LGHP) benefits when the employer size equals 100 or more full-time and/or part-time employees on 50 percent or more of the employer's business days during the previous calendar year. The business days do not have to be consecutive.

For multi-employer plans, Medicare is the secondary payer for all individuals enrolled in the plan as long as at least one of the employers employs 100 or more employees. The 100-employee threshold is not based on the aggregate number of employees of all employers. If you are a multi-employer, please keep this in mind when completing **Questions 6 and 7**.

- *Counting individuals for the "100-or-more" employer size*

- Employees counted in the 100-or-more employer size include the total number of nationwide full-time employees, part-time employees, seasonal employees and partners who work or are expected to report for work on a particular day.
- Those not counted in the 100-or-more employer size include retirees, COBRA qualified beneficiaries and individuals on other continuation options, and self-employed individuals who participate in the employer's group health plan.

- *Employer size increases to 100 or more during the year*

If the employer's size meets the 100-or-more employee threshold at any time during the current year, the employer's group health plan coverage will be primary to Medicare during the following year.

For example, an employer met the 100-or-more employee threshold on May 1, 2013. The employer's GHP coverage will be primary for services provided from January 1, 2014, through December 31, 2014.

Please note: If you answer "No" to **Question 6**, you must promptly notify BCBSTX by completing a new EAF if your answer changes to "Yes" at the beginning of the next calendar year.

- *Employer size doesn't meet the threshold of '100 or more employees during 50 percent of business days' during the year*

If the employer's size does not meet the 100-or-more employee threshold during the year, the employer's GHP coverage is secondary to Medicare during the following year.

For example, during 2013 the employer's size never meets the threshold of 100 or more full-time and/or part-time employees on 50 percent or more of the employer's business days. The employer's group health plan coverage will be secondary to Medicare for services provided from January 1, 2014, through December 31, 2014.

- *Individuals affected by the disability rule.*

The "disability rule" applies to individuals who are Medicare-entitled due a Social Security Administration determination of disability and

- Are covered under their employer's GHP and have "current employment status" and the employer meets the "100-or-more" employer size requirements (above), or
- Are covered under their spouse's (of any age) employer's GHP and the spouse has current employment status and the employer meets the "100-or-more" employer size requirements (above).

Mandated Benefit Description	Benefit Reduced	Benefit Excluded
Limitations Section 11.508 (d) Subchapter F, Title 28 Texas Insurance Code: A state-mandated health benefit plan defined in §11.2(b) of this title (relating to Definitions) shall provide coverage for the basic health care services as described in subsection (a) of this section, as well as all state-mandated benefits as described in §§21.3516 - 21.3518 of this title (relating to State-mandated Health Benefits in Individual HMO Plans, State-mandated Health Benefits in Small Employer HMO Plans, and State-mandated Health Benefits in Large Employer HMO Plans), and must provide the services without limitation as to time and cost, other than those limitations specifically prescribed in this subchapter.	Benefit limits will apply to coverage for Home Health Services. Benefit limits will also apply to Rehabilitation Services and Habilitation Services except for treatment of Acquired Brain Injury and Autism Spectrum Disorder.	

This HMO Consumer Choice Health Benefit Plan may include requirements and/or restrictions on deductibles, coinsurance, copayments or annual or lifetime benefit amounts that differ from other HMO plans. I understand that I may obtain addition information on Consumer Choice Health Benefit Plans, either by visiting the TDI website at www.tdi.texas.gov/consumer/index.html, or by calling 1-800-252-3439.

Signature of Applicant

Name of Applicant (print name)

Name of Business (if applicable)

Address

City

State

Zip

Date

Note: This form must be retained by the carrier issuing the policy and must be provided to the Commissioner of Insurance upon request. **You have the right to a copy of this written disclosure free of charge.** A new form must be completed upon each subsequent renewal of this policy.

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