

Group Application
Small Employer NationCare

Application for Group Insurance is made to STERLING LIFE INSURANCE COMPANY,
Bellingham, Washington 98227

STERLING Life Insurance Company

APPLICANT _____

Group # _____ Requested Effective Date ____/____/____

1. Corporate Name of Employer _____

2. Street Address _____

City _____ State _____ ZIP _____

3. Employer Tax ID# _____

4. DBA _____

Street Address _____

City _____ State _____ ZIP _____

5. Choice of PPO Network(s) for each state with employee residents (limit of one network per state)

State _____ PPO Network _____ State _____ PPO Network _____

State _____ PPO Network _____ State _____ PPO Network _____

State _____ PPO Network _____ State _____ PPO Network _____

State _____ PPO Network _____ State _____ PPO Network _____

State _____ PPO Network _____ State _____ PPO Network _____

State _____ PPO Network _____ State _____ PPO Network _____

State _____ PPO Network _____ State _____ PPO Network _____

State _____ PPO Network _____ State _____ PPO Network _____

6. Number of benefit plans attached _____

7. Mental Health Option: Standard benefit Parity benefit*

*Required for groups 51+

FOR GROUP MASTER POLICY: (SLIC SG POL 5/11) providing major medical coverage with benefits outlined in the attached Benefit Plan.

DESCRIPTION OF ELIGIBLE PERSONS, COVERED PERSON/INSURED CONTRIBUTION, POLICYHOLDER CONTRIBUTION, AND PARTICIPATION REQUIREMENTS:

Business Type: Corporation Sole Proprietorship Partnership Not-for-Profit LLC

Nature of Business: _____

Employer acknowledges that the contract is entered into by Sterling Life Insurance Company in reliance upon the Employer supplying complete and accurate information including, but not limited to, this document and any Employee applications, all of which shall be considered to be material representations of fact by Employer to Sterling Life Insurance Company. Employer states the following to be accurate:

A. EMPLOYEE RECONCILIATION

- _____ Number of full-time employees*
- _____ Number of ineligible employees* (part time, seasonal, temporary)
- _____ Total number of employees
- _____ Total number of out-of-area employees
- _____ Number of out-of-area employees enrolling
- _____ Number of out-of-area employees waiving due to other group coverage
- _____ Number of out-of-area employees waiving without other group coverage
- _____ Number of employees currently in a new hire waiting period

*Owners, officers, partners, and all other employees who work no less than 30 hours per week on a regular basis wherein an Employer/employee relationship exists and where taxes are deducted from a salary. Independent contractors, leased, part-time, temporary, and retired employees are not eligible.

B. MONTHLY PREMIUM

On or before the first day of each month, the Employer shall remit to SelectHealth the Premium per the rate schedule.

C. ELIGIBILITY, CONTRIBUTION, AND ENROLLMENT CRITERIA

Mandatory employee eligibility and enrollment requirements the Employer must satisfy as a condition to the initial and continued effectiveness of this contractual arrangement are as follows:

1. Newly Eligible Employees

The Employer Waiting Period* is:

- 1 Month 2 Months 3 Months

Options below are available ONLY for groups of five or more enrolling employees.

- 6 Months 9 Months 12 months

- Dual Waiting Periods for separate classes (classes determined by Employer)

Combination of any two of the six waiting periods listed above (one month to 12 months).

Class _____ Waiting Period _____ Class _____ Waiting Period _____

The Effective Date will be the first day of the next calendar month following the Employer Waiting Period.

*The Employer Waiting Period can only be changed twice: once at renewal and one time outside of the renewal period.

2. Employer Monthly Contribution

Employer must contribute an amount equivalent to at least 50 percent of the single coverage Premium. The Employer contribution must be consistent for all employee classes.

3. Minimum Number of Employees

A minimum of two out-of-state employees must be enrolled at all times. A minimum of ten employees (in- and out-of-state combined) must be enrolled at all times with a maximum 50 percent of enrolled employees residing outside the state of Utah.

Required Minimum Employee Enrollment

Employers with 2 to 14 enrolling out-of-state employees—100 percent must participate

Employers with 15 or more enrolling out-of-state employees—75 percent must participate

Employees waiving coverage due to group coverage through a spouse or parent plan only will not be counted toward participation.

4. Dependent Age Limitations

Dependent children are eligible for coverage up to age 26, unless they meet the criteria for disabled children as specified in the Certificate of Coverage.

5. Termination of Coverage

Employee and Dependent(s) coverage will terminate as of the end of the month in which termination of eligibility occurs. However, when an event causing loss of eligibility should have resulted in a member's retroactive termination, but the retroactive termination is not allowed under federal or state law, Sterling Life Insurance Company has the discretion to determine the prospective date of termination. Sterling Life Insurance Company also has the discretion to determine the date of termination for rescissions.

6. Leave of Absence

Eligible employees are granted a leave of absence by the Employer for up to 60 days. Leave time can only be accrued and used by the employee using the leave time. Leave Banks, where employees share or purchase leave time from other employees, are not allowed.

D. DURATION OF MASTER GROUP POLICY

If minimum employee participation and Employer contribution requirements are satisfied, the Master Group Policy and its terms shall commence on the effective date for a term of 12 months.

E. SCHEDULE OF BENEFITS

In addition to any other applicable Premium, Members shall pay the copay/coinsurance amount per occurrence on the Schedule of Benefits. "Not Covered" on the Schedule of Benefits indicates that the service is not covered regardless of any other statement of coverage.

F. PRE-EXISTING CONDITIONS

If applicable, Pre-Existing Conditions (PEC) will not be covered for "Newly Covered" plan Members as described in the Master Group Policy, Schedule of Benefits, and other plan materials.

6-MONTH PEC WINDOW PERIOD: The time period prior to the Member's Enrollment Date with Sterling Life Insurance Company, who looks to consider whether conditions are pre-existing.

12-MONTH PEC WAITING PERIOD: The time period following the Member's Enrollment Date during which pre-existing conditions will not be covered.

18- MONTH PEC WAITING PERIOD FOR LATE ENROLLEES: A person who does not properly enroll within the initial eligibility period will be subject to an 18-month Pre-Existing Condition Waiting Period. Any previous period of creditable healthcare coverage not separated by a break in coverage of 63 consecutive days or more will be applied toward satisfying all or part of the PEC Waiting Period under this Contract. The Employer Waiting Period does not count toward a break in coverage.

In addition, certain conditions and/or procedures for "Newly Covered" Members are not covered during the first twelve months of coverage (18 months if the Member is a Late Enrollee). Please see the "Waiting Period for Specific Conditions, Care, and Treatments" provision in the Master Group Policy for a list of these conditions. Any previous period of creditable healthcare coverage not separated by a break in coverage of 63 days or more is applied toward satisfying all or part of the Waiting Period for Specific Conditions, Care, and Treatments.

Coverage, if approved, is made on the basis of information provided to Sterling Life Insurance Company by the Employer and its employees and is subject to the above criteria as well as properly completed Employee applications. Employer understands that Sterling Life Insurance Company is relying on such information in making decisions about coverage and payment. Employee applications must be submitted to and approved by SelectHealth's Underwriting department before the proposed effective date. Otherwise, Sterling Life Insurance Company may delay the effective date of issue of this Contract. During regular business hours, SelectHealth will have the right to audit Employer's payroll records before, during, or following the term of the contract to verify employee enrollment and eligibility data, which may be relevant to enforcement of the terms of the Master Group Policy.

This Group Application, as part of the Master Group Policy, must be signed by Employer and received by SelectHealth before the Contract can be finalized.

Employer understands and agrees that any coverage provided will be limited according to the terms of this Group Application, the Employer Plan Coverage List, and the Master Group Policy (including the Schedule of Benefits). This Group Application is attached to and made a part of the Master Group Policy and effective ____/____/____.

It cancels and replaces all other applications, if any, attached to the Master Group Policy. This Application will be void if not signed and returned to the Company prior to the effective date.

Company Name: _____

Owner (sign here): _____

Owner (print name here): _____

Date: ____/____/____