

GROUP ENROLLMENT & COVERAGE AGREEMENT

PART A - Group Letter of Agreement

McLaren Health Plan Community (MHP) will provide health care coverage to eligible persons enrolled through the Group identified below subject to the terms of applicable Certificates and Riders, MHP's administrative and underwriting requirements, the Group Administrative Manual (Manual), a copy of which the Group acknowledges receiving, and the following terms and conditions of this Group Enrollment & Coverage Agreement (Agreement):

- 1. Effective Date.** This Agreement will become effective on the date established by MHP, which will generally occur after MHP returns a signed copy to the Group and applicable premiums are received. This Agreement is effective on the date established by MHP and will continue unless terminated as provided in this Agreement.
- 2. Group as Agent.** For all purposes of this Agreement, including the payment of premiums, the Group is the agent for all Members (as defined below). Notice by or to the Group will satisfy any notice requirements of this Agreement and applicable Certificates and Riders.
- 3. Premiums.** The Group must prepay all premiums as set forth in the monthly premium invoice. The Group must pay all premiums related to any retroactive adjustments expressly permitted by underwriting rules. Refunds or retroactive credits of premium payments or retroactive additions or deletions of employees or members of the Group are not otherwise permitted under this Agreement. Except for any government-mandated surcharges or subsidies, all premium rates are guaranteed for the applicable benefit period then in effect. At its discretion, MHP may terminate this Agreement immediately if premiums are more than thirty (30) days past due, with termination of coverage retroactive to the date through which premiums were paid in full. Group will provide any required notifications to members of the termination. Further, Group will hold MHP harmless to indemnify and hold MHP harmless against any loss, claim or action, including costs, penalties and reasonable attorney fees, arising out of or related to MHP's termination of this Agreement due to Group's non-payment of premiums.
- 4. Eligibility.** Individuals who may be eligible for enrollment as members of the Group (Members) are Michigan residents who are proprietors, partners, or shareholders actively managing the Group's business; full time active employees of the Group working at least thirty (30) hours per week and dependents of the foregoing. Members must meet the eligibility requirements set by the Group and the requirements of MHP's underwriting rules, Certificates and Riders, and Part B of this Agreement. If the Group is a "small employer" as defined in section 3701(p) of 2003 PA 88 MCL 500.3701(p), an employee who satisfies the definition of "eligible employee" under section 3701(h) MCL 500.3701(h), may be enrolled. The Group warrants that all Members meet the above requirements, and that it will not enroll any ineligible individual. If the Group, or its representative, enrolls an ineligible individual, it agrees to indemnify and hold MHP harmless against all benefit payments made on behalf of any improperly enrolled person, as well as any judgment, settlement, costs, expenses and reasonable attorney fees.
- 5. Enrollment Requirements.** The Group will offer the coverage described in Part B of this Agreement to all eligible individuals as described in Section 4. To continue Group coverage, the number of eligible individuals enrolled in MHP must at all times equal or exceed MHP enrollment participation and underwriting requirements. The Group agrees to provide MHP or its designee with all information required to conduct an annual underwriting review and a payroll audit. Under no circumstances will Group coverage be available if fewer than two individuals are enrolled. A husband and wife may be enrolled as a group only if a valid employee/employer relationship exists and can be documented by FICA and employee income tax withholding payroll records; otherwise, they must be enrolled as a single contract (two person or family).
- 6. Eligibility Information.** The Group agrees to provide timely and accurate eligibility information, including Medicare status, and to identify all persons subject to the Medicare Secondary Payer statutes and regulations. The Group acknowledges that MHP will rely upon the accuracy of all eligibility information the Group provides, and agrees to indemnify and hold MHP harmless against any loss, claim or action, including costs, penalties and reasonable attorney fees, arising from the provision of inaccurate eligibility information.
- 7. Enrollment Applications.** MHP will not accept Member applications for coverage not submitted according to procedures contained in the Manual. All applicable premiums, including those for any retroactive periods, must be paid before such persons shall be deemed to be eligible for coverage.
- 8. Claims Dispute Procedures.** A Member who disagrees with a claims determination must exhaust all steps of the applicable MHP internal grievance procedure provided in 2000 PA 252 [MCL § 00.2213] before seeking other remedies. Any Member dissatisfied with the results of the MHP internal grievance procedure must request an external review from the Office of Financial and Insurance Services as provide in 2000 PA 251 [MCL 550.1901- 550.1929] prior to bringing any other action as set forth in Section 14 of this Agreement. If the Group is subject to the Employee Retirement Income Security Act of 1974 (ERISA), a Member may also have a right to file a claim under § 502(a) of ERISA at any time upon the completion of the internal appeal process.

Continued on Next Page.

The Group agrees with all the terms and conditions as stipulated in this Agreement (which includes Parts B), and in the specified McLaren Health Plan Community Certificate(s) and Rider(s).

Do not sign this agreement unless a benefit description is enclosed.

Group Name:

SIC:

Signature of Group Executive:

Date:

Signature of MHP Rep:

Date:

Signature of Agent:

Date:

Signature of Underwriter:

Date:

- 9. Renewal Requirements.** Approximately 90 days prior to renewal month, MHP will provide group renewal package with new rates, additional plan options, and a Group Status Verification form.
- Group Status Verification – Group must complete and return the Group Status Verification form at least 30 days prior renewal date to ensure timely implementation of any change(s) and to allow ample time to re-issue ID cards if there is a change.
 - Waivers – Group must provide a current list of employees waiving coverage and their reason at least 30 days prior to the renewal date each year.
 - Workers’ Compensation Insurance Declarations Page – Group must maintain valid and up-to-date Workers’ Compensation Coverage and supply an updated copy of the policy to MHP upon request, unless Group is exempt from maintaining Workers’ Compensation. Proof of exemption will be required.
 - Quarterly Wage Detail Report – Upon MHP’s request, Group must provide a copy of the most recent Quarterly Wage Detail Report when submitting renewal documents (Note: Groups with less than 25 enrolled must automatically provide the Quarterly Wage Detail Report to MHP at least 30 days prior to renewal)
- 10. Group Conversion.** Michigan Law [MCL § 500.3612] requires the Group to notify any MHP subscriber whose Group coverage is cancelled of the right to convert to a non-group MHP coverage. This notice must be provided within fourteen (14) days of the cancellation of Group MHP coverage. MHP will provide this non-group option for thirty (30) days from the date of termination of the subscriber’s coverage through the Group.
- 11. Open Enrollment.** At least once a year, MHP will have reasonable access to eligible subscribers and members of the Group for purposes of open enrollment. Persons joining the Group between periodic open enrollment periods may enroll in MHP coverage at the time they meet eligibility requirements.
- 12. ERISA Fiduciaries.** If the Group’s health care plan is subject to ERISA, the Group, or its designee (other than MHP), shall be the Plan Administrator of the Group’s health care plan under ERISA and shall have all of the responsibilities and authority of that position including ensuring compliance with ERISA, preparing and distributing summary plan descriptions, and advising all eligible individuals of (i) available benefits and any changes in benefits; (ii) termination of coverage for any reason, including the failure to make any payments when due; and (iii) their COBRA rights if any. The Group delegates the responsibility and discretionary authority to process and pay claims to MHP as “claims administrator” and retains all other responsibilities and duties under ERISA not specifically delegated to MHP. MHP agrees to assume such responsibility and authority, including any responsibility it may have as a “named fiduciary” (as defined under ERISA §402) for purposes of its claims administration duties, to the extent that under the GHP and ERISA it meets the definition of a “named fiduciary”. As the named administrator, MHP shall have the power and discretion to construe the terms of this Agreement and to determine all questions pertaining to the administration, interpretation, and application of this Agreement and any Certificates and Riders that involve eligibility for benefits and the payment or denial of claims. In addition, the parties agree that MHP shall have the responsibility for ensuring that its claims procedures comply with the Department of Labor’s Claims Procedures described in 29 C.F.R. Part 2560 and for handling all levels of appeals.
- 13. HIPAA Privacy Notices, Certification of Creditable Coverage.** MHP will prepare Notices of Privacy Practices appropriate for the Group under 45 C.F.R. Parts 160 and 164 (“Privacy Standards”), specifically 45 C.F.R. § 164.520. The Group represents and warrants that it does not create or receive Protected Health Information, as that term is defined in 45 C.F.R. § 164.501, and is not entitled to receive any Protected Health Information from MHP, except as permitted in 45 C.F.R. § 164.520(a)(2)(iii), or the law of the State of Michigan where more stringent, so that the burden to maintain and provide Notices of Privacy Practices is entirely that of MHP. The Group will cooperate with MHP in the preparation of Notices of Privacy Practices by the Privacy Standards. MHP may distribute the Group’s Notices of Privacy Practices by electronic mail to Members who have agreed to receive electronic notification and have not revoked that agreement. If MHP maintains a web site that provides information about customer service or benefits for the Group’s Members, MHP will prominently post and make available of the Group’s then current Notices of Privacy Practices. Unless the Group otherwise notifies MHP in writing, MHP will assume all responsibility for issuing automatic certificates of creditable coverage to terminated Members as required by HIPAA and regulations, and further agrees to respond to any requests for such certificates and related inquiries. The Group will be responsible for notifying MHP of all terminations of coverage as set forth in Section 6. Also, if applicable, the Group will retain responsibility for issuing certificates of coverage to persons entitled to elect COBRA no later than when the Group provides the COBRA notice.
- 14. Licensee Status of MHP.** This Agreement is between the Group and MHP, an independent corporation licensed by the State of Michigan.
- 15. Litigation.** Any suit arising out of this Agreement or any Certificates and Riders must be filed within 2 years after the cause of action arose and, unless pre-empted by ERISA, shall be brought in a Michigan court of competent jurisdiction. Under no circumstances may the Group or a Member file suit before exhausting the internal MHP-administered steps of the applicable grievance procedure referenced in Section 8. However, exercising any rights under Section 8, shall not extend the 2-year period in which any suit may be filed.
- 16. Termination.** Upon thirty (30) days written notice, either party may terminate this Agreement for any reason consistent with applicable law. MHP may also terminate this Agreement as described in Section 3 above and at any time the Group fails to meet MHP underwriting requirements. Upon termination, by failure to pay premiums, all rights to benefits shall retroactively terminate at the end of the period for which all required premiums have been paid. Group agrees to be responsible for notifying its employees that the Agreement has ended. No termination shall relieve Group from any obligation incurred before the date of termination of this Agreement. It is Group’s responsibility to notify the Members of the Agreement’s termination in compliance with all applicable laws. However, MHP reserves the right to inform Members affected by the Agreement for any reason, including non-payment of premium. Group shall provide written notice to Members of their rights upon termination of coverage.
- 17. Assignment and Waiver.** Neither party may assign this Agreement without the written permission of the other party. The Group will immediately notify MHP in writing of any Change in Control or any change in the Group’s name, identity, or legal organizational structure, and of any change in, or addition to, a location of the Group’s place of business. For purposes of this Agreement, a “Change in Control” shall mean an event resulting in a change in the beneficial ownership of the Group of 50% or more immediately after the event compared to one year before the event. “Beneficial ownership” means actual ownership or the right, directly or indirectly, to control voting power associated with ownership interests in the Group. The waiver by a party of any breach of this Agreement by the other party shall not constitute a waiver of any subsequent breach of this Agreement.
- 18. Exclusions.** Notwithstanding anything contained in this Agreement, MHP will have no obligations to the Group for any coverage not specified in the applicable Certificate and Riders, nor for any coverage that the Group, in whole or in part, contracts with other carriers to provide on behalf of the Group. The Group agrees to indemnify and hold MHP harmless against any loss, claims, actions, and damages, including costs and reasonable attorneys’ fees, that may arise from any coverage not so provided by MHP.
- 19. Entire Agreement.** This Agreement (including Part B) together with any attachments is the entire Agreement between MHP and the Group and supersedes all other agreements, oral or written, between the parties regarding the same subject matter. This Agreement may be amended only by a written document signed by the parties.
- 20. Severability.** If any provision of this Agreement is found invalid or unenforceable, the remaining provisions shall remain in full force and effect.
- 21. Governing Law.** This Agreement is entered into in Michigan and, except as may be pre-empted by ERISA, shall be construed according to the laws of Michigan.

Once this entire document has been read, please sign page 1.

GROUP ENROLLMENT & COVERAGE AGREEMENT

PART B -Group Information & Coverage Selections

GENERAL INFORMATION							
Company Name to be Listed on Policy:							
Contact Person:				Title			
Company Address:							
City:		State:			Zip Code:		County:
Area Code:		Phone Number:		Area Code:		Fax Number:	
Email Address:						SIC Code:	
Requested Effective Date of Coverage:							

BILLING CONTACT NAME & ADDRESS (If different than above)			ELIGIBILITY / PARTICIPATION		EMPLOYER CONTRIBUTION TOWARD MONTHLY PREMIUM		
Name:			How many total employees do you have? (Including any who may not be eligible for benefits: I.e. part-time)				
Address:			a. Total number of applications				
City:			b. Total number of waivers		+		
State:	Zip Code:			c. Total eligible employees		=	
Phone Number:					Single:		
Email:					Two Party:		
					Family:		

WORKER'S COMPENSATION COVERAGE:	
Name of Carrier:	
List of individuals not covered by Worker's Comp (provide on separate sheet):	

LEGAL STATUS					
	Corporation		Proprietorship		Trust
					LLC
	Partnership		S Corporation	Other	

ENROLLMENT / ELIGIBILITY CRITERIA

Effective Date for New Hires:

	Date of Hire		1st of Month Following		Day waiting period		Date of Completion of		Day waiting period
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Effective Date of Termination:

	Date of Termination of Employment		Last Day of the Month in Which Termination Occurs
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Effective Date for Return to Employment (Layoff, Leave, Strike):

	Date of Return		1st of Month Following		Day waiting period		Date of Completion of		Day waiting period
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Effective Date for Status Change (Example: Part-time to Full-time):

	Date of Change		1st of Month Following		Day waiting period		Date of Completion of		Day waiting period
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Definition of an Eligible Employee:

	Full-time employee working a minimum of		Hours per week.	Other:	
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Excluded Employees:

	Part-time		Temporary		Seasonal		Other
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MCLAREN HEALTH PLAN COMMUNITY USE ONLY:

CLASSIFICATION	RATES	GROUP INFORMATION							
Class I: Single	\$	Account Executive:							
Class II: Double	\$	Sold Group Number:							
Class IV: Family	\$	Policy Effective:	From:	/	/	To:	/	/	
Class	\$	Other Information:							
Class	\$	Binder Check Information:							
Class	\$	Check # :		Date Received:	/	/			
Class	\$	Amount:	\$						