



HEALTH PLAN

McLaren Health Plan Underwriting Guidelines for Small Groups

	2-10 Eligible Employees	11-25 Eligible Employees	26-50 Eligible Employees								
Definitions	<p>Any person, firm, corporation, partnership, limited liability company, or association actively engaged in business with 2-50 eligible employees on at least 50 percent of the working days during the preceding and current calendar year.</p> <p>In determining the number of eligible employees, companies that are affiliated companies or that are eligible to file a combined tax return for state taxation purposes shall be considered one employer.</p>										
Group Enrollment Requirements	<ol style="list-style-type: none"> 1. Group must be of a permanent nature and financially stable. 2. Group must have been formed for a purpose other than to secure group insurance. 3. Eligible employees shall include all active employees who work a minimum of 30 hours per week. Part-time employees are eligible provided they work a minimum of 17.5 hours per week, eligibility is specified in the Group Enrollment and Coverage Agreement and rules are applied to all employees uniformly. 4. Seasonal employees, directors, corporate officers, trustees, corporate lawyers, and owners or partners are not eligible unless they are full-time employees. 5. The group must carry Worker's Compensation coverage unless it is not required by law. If the employer is exempt from providing Workers' Compensation Insurance, the Notice of Exclusion form must be provided. The form must include the Michigan Department of Labor Notice of Exclusion stamp in the upper right-hand corner. 										
Participation Requirements	<ol style="list-style-type: none"> 1. 100 percent of those seeking coverage must enroll with McLaren Health Plan. 2. All employees opting out of McLaren Health Plan must complete a Waiver Form. 3. Retirees are eligible if a minimum of 5 contracts exist and if the retirees make up less than 20% of employees seeking coverage with McLaren Health Plan. (Medicare eligible's must enroll in Medicare part A & B) 	<ol style="list-style-type: none"> 1. 75 percent of those seeking coverage must enroll with McLaren Health Plan. 2. All employees opting out of McLaren Health Plan must complete a Waiver Form. 3. Retirees are eligible if a minimum of 5 contracts exist and if the retirees make up less than 20% of employees seeking coverage with McLaren Health Plan. (Medicare eligible's must enroll in Medicare part A & B) 	<ol style="list-style-type: none"> 1. 50 percent of those seeking coverage must enroll with McLaren Health Plan. 2. All employees opting out of McLaren Health Plan must complete a Waiver Form. 3. Retirees are eligible if a minimum of 5 contracts exist and if the retirees make up less than 20% of employees seeking coverage with McLaren Health Plan. (Medicare eligible's must enroll in Medicare part A & B) 								
Business Proof Documentation	<p>Copy of Form 1040 with Schedule C or F. Should Line 7 of Form 1040 have a figure, a W-2 must be submitted at time of sale and at each renewal.</p>	<table style="width: 100%; border: none;"> <tr> <td style="border: none;"><u>Partnership</u></td> <td style="border: none;"><u>Farmer</u></td> </tr> <tr> <td style="border: none;">Copy of Schedule 1065</td> <td style="border: none;">Copy of Schedule F</td> </tr> <tr> <td style="border: none;"><u>Corporation</u></td> <td style="border: none;"><u>LLC</u></td> </tr> <tr> <td style="border: none;">Copy of Schedule 1120</td> <td style="border: none;">Copy of Schedule 1065 and Articles of Incorporation</td> </tr> </table>	<u>Partnership</u>	<u>Farmer</u>	Copy of Schedule 1065	Copy of Schedule F	<u>Corporation</u>	<u>LLC</u>	Copy of Schedule 1120	Copy of Schedule 1065 and Articles of Incorporation	
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<p>Information Required for Application Renewal</p>		<p>Business Proof Requirements Completed Group Application/Agreement Group Roster Enrollment Forms for Each Covered Employee (each new member must selected a Primary Care Provider) Waiver forms for all employees opting out of McLaren Health Plan Most recent Quarterly Wage Detail Report Copy of the sold proposal Binder check with estimated first months premium</p>
<p>Retiree >65 Retiree <65</p>	<p>Retirees over age 65 must have Part A and B of Medicare to be eligible</p>	<p>Total cannot exceed more than 10% of the active membership. The retiree segment will only be continued as long as the active employees continue as McLaren Health Plan enrollees.</p>
<p>Segmenting</p>	<p>Groups of 10+ are eligible for segmentation.</p>	<p>Must have a minim enrollment of at least 2 contracts to offer. Segments are available with underwriting approval. Examples of segments include: All salaried employees All hourly employees All employees in a bargaining unit All employees not in a bargaining unit All employees in a specific location or installation All employees retired from an active group Any combination of these segments</p>
<p>Geographic Location Guidelines</p>	<p>The group must have a physical location within the service area and at least 2 employees</p>	<p>Groups residing out of the service area will not be eligible for coverage through the McLaren Health Plan small group product portfolio. Groups with common ownership with different SIC codes may have different rates. Underwriting reserves the right to review this situation on a case by case basis.</p>
<p>Health Plan Design Options</p>	<p>Group size 2-10 may only offer one health plan design</p>	<p>Group size 11+ enrolled may offer 2 plans, but must have at least 5 enrolled contracts in each plan design that is offered.</p>



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<p>Employee Leasing Firms</p>	<p>McLaren will enroll members of an employee leasing firm if the following guidelines are met.</p>	<p>A copy of the lease agreement between the leasing company and the employing company must be included with every enrolling definable segment. A copy of the purchase order/purchase agreement which identifies the leased employees must accompany the enrollment materials of each definable segment. If the owner of the employing company provides McLaren Health Plan coverage for his or her employees, he or she may enroll along with those employees if: The leased employees within each employing company meet enrollment and participation requirements. Enrollment materials for the owner and the leasing company must be submitted together. The owner will be included in the calculation of participation and coexistence requirements. To be eligible, leased employees must: Enroll separately from the employing company. The SIC Code applied to the leased employees for rating purposes will be that of the employing company. The physical address will be the address of the employing company. Leased employees will be rated based on the employing company. The leased employees will be rated along with the enrolled employees/*retirees of the employing company. The billing address will be that of the leasing company. Proof of Workers' Compensation insurance must be included with the enrollment material for each definable segment of leased employees. All group enrollment and coverage agreements must be signed by the employing company and the leasing company. If the leasing company wants McLaren health Plan coverage, the leasing company must enroll separately. The proper documents must be included to identify the leasing company and its employees.</p>
<p>Husband/Wife</p>	<p>Husband and Wife may be counted as a two person group if the following criteria is met..</p>	<p>An employer/employee relationship exists. This relationship is documented via FICA payroll records or W2 forms.</p>
<p>Rate Proposal Caveats</p>	<p>Rate proposals generated by McLaren Health Plan are valid under the following conditions:</p>	<p>Final Rates will be based on Final Enrollment. Rate proposals are contingent upon meeting McLaren Health Plan underwriting guidelines. Rate proposals are contingent upon no material change in the data supplied during the rating process. Information provided to obtain a rate proposal is assumed to be accurate. If McLaren Health Plan determines that the information used to obtain a rate proposal was not accurate, we reserve the right to retroactively adjust the rate proposal to reflect the correct information.</p>
<p>Group Termination Guidelines</p>	<p>Termination Reasons</p>	<p>Non-payment of premium. Fraud or material misrepresentation. Not meeting provisions set forth in the group operating agreement or other underwriting guidelines</p>
<p>Re-enrollment requirements</p>	<p>Reinstatement Process</p>	<p>A terminated group may be eligible to re-enroll after twelve months with approval by the Director of Underwriting. Re-enrollment would be unlikely if a group was terminated for fraud or material misrepresentation. Groups terminated for non-payment of premium or non-sufficient funds must pay back premium and the first month's premium on the new contract before they will be allowed to re-enroll.</p>