



ADDENDUM TO GROUP APPLICATION FOR SMALL BUSINESS GROUP HEALTH INSURANCE PROGRAM

COVERAGE FOR OPTIONAL CLASSES OF EMPLOYEES

At your option, your company may elect to cover any of the following classes of enrollees. However, if your company offers coverage to a class, Highmark Blue Cross Blue Shield Delaware counts all those eligible in that class to measure group participation. In considering whether to offer coverage to additional classes, please be aware that enrollees' age and health characteristics may affect your company's premium rate. Highmark DE reserves the right to determine whether wages paid reflect full-time or part-time compensation.

Please check any of the boxes below that apply to any of the following classes for which you would like to provide coverage.

Part-Time Employees

All part-time employees working at least _____ hours per week are offered health coverage once they have worked for our company for _____ month(s). The company contributes _____ toward the cost of the individual monthly premium; and _____ towards the cost of the individual and spouse, individual and child(ren), or family monthly premium.

To be eligible, Highmark DE requires that part-time employees work at least 20 hours a week and employers contribute at least 50% of their premium.

Independent Contractors

Our company will treat its independent contractors as employees for health benefits eligibility purposes. To qualify for health benefits, the eligibility requirements for waiting and probationary periods, employer contribution, and minimum number of hours per week for independent contractors will be consistent with our requirements for comparable classes of other eligible employees.

For example, if the Member Company only covers its full-time employees it may also elect to cover its independent contractors— provided they work at least the same number of hours as its eligible full-time employees. The Member Company may not cover its part-time, independent contractors unless it has also elected to cover its part-time employees.

Seasonal Employees

The company will offer coverage to seasonal employees working full-time for our company at least _____ months of the year, after they worked for us for _____ months. The company contributes _____ toward the cost of the individual monthly premium; and _____ toward the cost of the individual and spouse, individual and child(ren), or family monthly premium. To be eligible, seasonal employees must work on a full-time basis for the company at least nine months out of the year. (Seasonal employees working less than nine months per year are not eligible.)

Former Owners

Our company will cover the former owner(s) of our business. Our company contributes _____ toward the cost of the individual monthly premium; and _____ toward the cost of the individual and spouse, individual and child(ren), or family monthly premium.

1. To be eligible, former owners must have retired at the time of sale and must satisfy the eligibility requirements for retirees, who must be covered as well.
2. As retirees, former owners are not eligible for dental benefits.

□ Retirees

The company will cover bona fide retirees, including owners, who have worked for our company for at least _____ years and have reached the age of _____. The company contributes _____ toward the cost of the monthly premium.

1. The minimum length of service and age requirement must be at least 5 and 55, respectively.
2. An eligible retiree must have retired from your company and been eligible for and covered by your company's health care program while an active employee.
3. Dental benefits are not available to retirees.

□ Disabled Employees

Our company will continue coverage for any employee who becomes disabled while employed by us. To qualify, the disabled employee must have worked for our company at least _____ years and be receiving disability compensation under our group disability compensation program. Our company contributes _____ towards the cost of the individual monthly premium and _____ towards the cost of the individual and spouse, individual and child(ren), or family monthly premium.

To be eligible, Highmark DE requires that disabled employees meet the following criteria. They:

1. Must have been covered by your company's health benefits program prior to the disability and receive the same level of employer contribution to the group health premium as active employees.
2. Must be receiving disability compensation (Workers Compensation) under the terms of your group disability program. Payment of the employees' health care premiums alone does not constitute compensation.

Once the employees' eligibility for disability compensation ends, you must terminate them from your group health benefits program unless they have returned to the prior level of active employment with your company. Highmark DE waives this requirement for short-term disabilities not exceeding 8 weeks.

If disability compensation and Highmark DE coverage continues beyond 8 weeks as provided above, you may extend Highmark DE coverage an additional 18 weeks (26 total weeks) maximum. At the end of 26 weeks, you must terminate the employees' group health benefits, even if the employees continue to be eligible disability compensation.

3. If your company is subject to federal COBRA regulations and offers qualified employees continuing coverage in accordance with COBRA, Highmark DE will waive our requirement that an employee must be receiving disability compensation.

If your company is not subject to federal COBRA regulations, non-group direct pay health benefits are available to your employees, provided you notify Highmark DE immediately once the disabled employees' eligibility for group health benefits ends (as defined above).