Small Business Application for Group Service Agreement

❑ New Sales ❑ Renewal

1 HEALTH PLAN INFORMATION (Note: Checking more than one plan indicates dual-choice selection.)

HMO
❑ EOA 10
❑ EOA 20
❑ EOA 30
❑ HMO 15
❑ HMO 20
❑ HMO VCP 25 (So. CA only)
❑ HMO 35

POS
❑ POS 10
❑ POS 20
❑ POS 30

FLEX NET
❑ Indemnity

PPO
❑ PPO 10
❑ PPO 15
❑ PPO 20
❑ PPO 30
❑ PPO 40
❑ PPO Catastrophic Saver
❑ PPO 2,000
❑ PPO 3,000

Choice Advantage
❑ Choice Advantage 100
- EOA 10
- EOA 20
- PPO 10
- PPO 20

❑ Choice Advantage 80
- EOA 20
- EOA 30
- HMO 15
- PPO 20
- PPO 30

OPTIONAL RIDER
❑ Chiropractic
❑ Acupuncture
❑ Combined
(all riders for HMO EOA and POS only)

Salud con Health Net
(Available in Los Angeles)
❑ Salud HMO
❑ Salud PPO
(Available in San Diego and Imperial)
❑ Salud Mexico
(Available in Ventura and Los Angeles)
❑ Salud EPO

DENTAL
DHMO
❑ Advantage 150 Plan
❑ Advantage 225 Plan
DPPO
❑ HB Plan _____
❑ HC Plan _____
❑ HD Plan _____

VISION
PPO
❑ Preferred 1025-2
❑ Preferred 1025-3
❑ Value-10-2

Medical and Life/AD&D plans are provided by Health Net of California, Inc. and/or Health Net Life Insurance Company (together, the "Health Net Entities"). Dental plans are provided by SafeGuard Health Plans, Inc. and/or its affiliate, SafeHealth Life Insurance Company, (together "SafeGuard Entities"). Vision plans are provided by Fidelity Security Life Insurance Company and serviced by Eyemed Vision Care LLC (together the "Fidelity Entities").

Neither the SafeGuard Entities nor The Fidelity Entities are affiliated with the Health Net Entities. Obligations under dental and vision plans are not obligations of, and are not guaranteed by, the Health Net Entities.

Application is hereby made for a Group Policy provided by the Health Net Entities, the SafeGuard Entities, and/or the Fidelity Entities, the provisions of which are to be made available to all eligible employees, as defined, and their eligible dependents desiring coverage hereunder. The following information regarding employee data is being submitted to allow the Health Net Entities, the SafeGuard Entities and/or the Fidelity Entities to determine the eligibility of employees seeking enrollment.

2 EMPLOYER GROUP INFORMATION (Please only complete sections 2, 3, 5 & 6 if changing existing coverage)

Company Name	DBA	Group #	SIC Code

Type of Business	How Long in Business	Effective Date / (Renewal Date)

Company Contact	E-mail Address	Telephone #	Fax #

Mailing Address	City	State	Zip

Billing Address (if Different)	City	State	Zip

3 EMPLOYER CONTRIBUTION (Note: Employer Contribution for health is a minimum of 50% and for life is 100% (2-9) Enrollees and 25% (10-50 Enrollees).

Employee Health: _____% or, *$_____ Employee Life: _____% Employee Dental: _____% Employee Vision: _____%
Dependent Health: _____% or, *$_____ Dependent Life: _____% Dependent Dental: _____% Dependent Vision: _____%

NOTE: Dental and Vision can be either voluntary (i.e., the employer does not contribute) or Employer Sponsored (i.e., the employer contributes a portion of the premium). If Employer sponsored, you must complete the employee and dependent contributions. If you select Dental or Vision and no contributions are indicated, it is presumed that the plans will be voluntary. *Flat dollar contribution applies to the Choice Advantage options only

4 ELIGIBILITY INFORMATION

1. Probationary Period for New Hires/Rehires - First of the month following; ❑ Date of hire ❑ 1 mo. ❑ 2 mos. ❑ 3 mos. ❑ __mos. (6 max)
2. Minimum number of hours worked per week required to be eligible for medical insurance coverage: ❑ 20 ❑ 30

	MEDICAL	LIFE	DENTAL	VISION
3. Number of Eligible Employees (include eligible owner(s))	_____	_____	_____	_____
4. Total Number of Health Net Enrollees (excluding COBRA enrollees)	_____	_____	_____	_____
5. What type of COBRA** are you subject to:	❑ Federal COBRA	❑ Cal-COBRA		
If Federal COBRA, how would you like your COBRA enrollees to be billed:	❑ Group Billed	❑ Member Billed		
6. Number of Health Net COBRA Enrollees (applying for health coverage)	_____	_____	_____	_____
7. Number of Waivers (Please include an enrollment form with Section 9 "Declination of Coverage" indicated.)	_____	_____	_____	_____
8. Within the last 12 months, has the employer held a Health Net contract?	❑ YES	❑ NO		
9. Do you wish to cover Domestic Partners?	❑ YES	❑ NO		
10. Do the eligible enrollees represent a carve-out either; by class, location or union affiliation?	❑ YES	❑ NO		
11. Has the group supplied the most recent quarter of their DE-6 with this application?	❑ YES	❑ NO*		

***Please provide a letter of explanation and supporting documentation with this group service agreement application.**

****Note:** Generally, employers who normally employed 20 or more employees during the previous calendar year are subject to federal COBRA. Employers who employed 2-19 employees on at least 50% of its working days the previous calendar year are subject to Cal-COBRA. Please consult your legal counsel if you need help determining which law applies to you.

(continued on back)

5 LIFE AND AD&D BENEFIT SELECTION If Health Net Life is selected; all full time employess are eligible.

(Note: Options A & B are for 2-50 employees. Options C, G are 10-50 employees.)

- ❑ Option A - $15,000 flat amount for all employees.
- ❑ Option B - A flat amount higher than $15,000; maximum $100,000 $_____
- ❑ Option C - One (1) X Annual Salary; _____ or two(2) X Annual Salary; maximum $50,000
- ❑ Option D - One (1) X Annual Salary; _____ or one and a half (1.5) X Annual Salary; _____ or two (2) X Annual Salary; maximum $100,000
- ❑ Option E - Graded benefits by job title: Class I (officers, managers, supervisors) --- $25,000; Class II (all other employees) --- $15,000.
- ❑ Option F - Graded benefits by job title: Class I (officers, managers, supervisors) --- $50,000; Class II (all other employees) --- $25,000.
- ❑ Option G - Graded benefits by job title: Class I (officers, managers, supervisors) --- $100,000; Class II (all other employees) --- $50,000.

Dependent Life: (choose one)
- ❑ High: $5,000 spouse, $2,000 child, $200 infant (14 days-6 mos.)
- ❑ Low: $2,000 spouse, $1,000 child, $100 infant (14 days-6 mos.)

6 PRE-TAX SOLUTIONS (e.g. IRS code sections 125 and 132; Premium Only Plans and Flex Plans)

Are you interested in learning about the tax-savings potential for your employees and company? ❑Yes ❑No
Interested in Long Term Care? ❑Yes ❑No

7 CURRENT CARRIER (List current carrier if any)

Workers Compensation: _____ Number of Enrollees not covered by Workers Compensation:_____
Health and/or Life: _____
Will one or both of the Health Net Entities be the only carrier(s)? ❑ Yes ❑ No If no, name of other carrier: _____
_____ Plan offered: _____

8 HEALTH QUESTIONNAIRE (For new groups only)

All employer groups must answer YES or NO to the following questions.
Employer groups of 6-9 enrolling employees must have each employee complete the Health Questionnaire with the Enrollment form.

1. To your knowledge is there any employee, dependent of an employee, or person to be covered who has received more than $5,000 of medical care in the past two (2) years? ❑ YES ❑ NO
2. To your knowledge is any employee, dependent of an employee, or person to be covered unable to work due to injury or illness? ❑ YES ❑ NO
3. To your knowledge are there any current pregnancies or recent hospitalization for any employee, dependent of an employee, or person covered? ❑ YES ❑ NO
4. To your knowledge has any employee, dependent of an employee, or person to be covered ever had, consulted for, had treatment rendered, been advised to have treatment or received treatment, or been hospitalized for any of the following conditions: Cardiovascular disease or heart attack; disorder of the kidney, stomach, intestines or liver; mental or nervous condition; central nervous system disorders; diabetes; respiratory disorders or cancer? ❑ YES ❑ NO
5. To your knowledge has any employee, dependent of an employee, or person to be covered ever been diagnosed as having AIDS or aids-related complex (ARC) by a medical professional? ❑ YES ❑ NO

For each "YES" answer, please provide the person(s) name and submit their completed employee health questionnaire.

_____

_____

_____

9 ON LINE AUTHORIZATION *(eServices)*

Please complete this section to register and receive your bills on-line and/or process eligibility on-line. You will be notified by e-mail once your on-line account is created. Type of access requested (please check all that apply):

❑ Process Eligibility & Billing ❑ View and Process Eligibility ❑ View Billing only (no Eligibility access) ❑ Process Billing only (no Eligibility access)
❑ Allow access for both Employer and Broker ❑ Allow Employee access (no Billing permitted)

Please indicate below all parties who should be granted access to administer your billing and/or eligibility on-line. (Select all that apply):
❑ Employer only ❑ Broker only ❑ Employer and Broker ❑ Employer and Employee (eligibility only)*

*New enrollments, cancellations, and changes to eligibility data that are requested on-line by an employee will be pended for approval by the Benefit Administrator prior to being sent to Health Net for processing. Employees are not permitted access to on-line billing information.

10 UNDERWRITING CRITERIA

General Conditions

The issuance of coverage and a Group Service Agreement and/or Group Policy is subject to Underwriting review and approval by the Health Net Entities, the Safeguard Entities and/or the Fidelity Entities and receipt of first month's premium. The initial quoted rates are subject to the Health Net Entities, the Safeguard Entities and/or the Fidelity Entities review and revision based on actual enrollment and any other variations in the group from conditions outlined in the Underwriting Assumptions.

Coverage will be effective on the noted effective date if the application is accepted and approved by the Health Net Entities, the Safeguard Entities and/or the Fidelity Entities as appropriate within specified time requirements.

11 DISCLAIMER AGREEMENT

Please complete all of the information requested before signing this application. Please initial any changes.

This is an application only. Coverage and the issuance of a Group Service Agreement is subject to review and approval by Health Net Entities, the SafeGuard Entities and/or Fidelity Entities and receipt of first month's premium.

The undersigned hereby acknowledge that the preceding information constitutes true and complete representations to Health Net Entities, the SafeGuard Entities and/or Fidelity Entities. Should it be determined at the time of enrollment and/or at a future date that there are misstatements in this application, Health Net Entities, the SafeGuard Entities and/or Fidelity Entities may at their respective sole options either rescind the quote or initiate termination of the respective group contract(s).

Upon policy anniversary date, submission of renewal premium will confirm acceptance of that renewal and subsequent premium year.

Applicant, in the event this application is accepted, agrees to make authorized payroll dues deductions for such eligible employees who enroll under the agreement(s)/Policy and to forward such amounts in advance of the due date to the Health Net Entities, the Safeguard Entities and/or the Fidelity Entities, together with the reports necessary to maintain accurate and complete membership records. Furthermore, applicant agrees to comply with the applicable regulations pertaining to membership requirements, additions to the group and deletions from the group. Please return this application to your Health Net of California, Inc. and/or Health Net Life Insurance Company Account Executive or Broker as specified.

This "APPLICATION FOR GROUP SERVICE AGREEMENT" and any attached Addendum together with the Health Net Entities, the Safeguard Entities and/or the Fidelity Entities Group Policies (as referenced herein) and the employee enrollment forms form the entire agreement between the parties.

For your protection, California law requires the following to appear on this form. Any person who knowingly presents a false or fraudulent claim for the payment of a loss is guilty of a crime and may be subject to fines and confinement in state prison.

California law prohibits an HIV test from being required or used by health insurance companies as a condition of obtaining health insurance coverage.

Arbitration Agreement: On behalf of Group Applicant, I understand and agree that any and all disputes or disagreements between Group (or enrolled members) and the Health Net Entities, the Safeguard Entities and/or the Fidelity Entities regarding the construction, interpretation, performance or breach of the Health Net Entities, the Safeguard Entities and/or the Fidelity Entities Group Policies, or regarding other matters relating to or arising out of the Health Net Entities, the Safeguard Entities and/or the Fidelity Entities Group Policies, whether stated in tort, contract or otherwise, must be submitted to final and binding arbitration in lieu of a jury or court trial. I understand that, by agreeing to submit all disputes to final and binding arbitration, all parties, including the Health Net Entities, the Safeguard Entities and/or the Fidelity Entities are giving up their constitutional rights to the extent permitted by law to have their dispute decided in a court of law before a jury. I also understand that disputes with the Health Net Entities, the Safeguard Entities and/or the Fidelity Entities involving claims for medical, services malpractice (that is, whether any medical services rendered were unnecessary or unauthorized or were improperly, negligently or incompetently rendered) are also subject to final and binding arbitration. A more detailed arbitration provision is included in the Health Net Entities, the Safeguard Entities and/or the Fidelity Entities Group Policies.

Effective July 1, 2002, members who are enrolled in an employer's plan that is subject to ERISA, 29 U.S.C. § 1001 et seq., a federal law regulating benefit plans, are not required to submit disputes about certain "adverse benefit determinations" made by Health Net Entities, the Safeguard Entities and/or the Fidelity Entities to mandatory binding arbitration. Under ERISA, an "adverse benefit determination" means a decision by Health Net Entities, the Safeguard Entities and/or the Fidelity Entities to deny, reduce, terminate or not pay for all or a part of a benefit. However, members and Health Net Entities, the Safeguard Entities and/or the Fidelity Entities may voluntarily agree to arbitrate disputes about these "adverse benefit determinations" at the time the dispute arises.

Officer of the Company Signature	Officer Title	Date

12 BROKER INFORMATION

Broker Name	Health Net Broker ID#	Broker Lic. #	Date Submitted
Agency Name	Telephone #	Fax#	E-mail Address
Address	City	State	Zip

Broker/Consultant Signature	Date	General Agent / ID#

13 WHERE WOULD YOU LIKE YOUR ADMINISTRATION KIT MAILED

❑ Broker ❑ Employer

14 FOR HEALTH NET USE ONLY

Underwriter Signature	Date	Approved: ❑ Medical ❑ Dental ❑ Vision Declined: ❑ Medical ❑ Dental ❑ Vision	Billing #	Effective Date
SBG Representative Signature	Date	Group# (Health)	Policy Holder # (Life)	Medical Plan

Health Net of California Inc. offers the following products: ELECT Open Access, HMO, SELECT POS
Health Net Life Insurance Company offers the following products: EPO, Flex Net , PPO, Life and AD&D insurance
SafeHealth Life Insurance Company offers the following products: PPO Dental
SafeGuard Health Plans, Inc. offers the following products: Dental HMO (DHMO)
Fidelity Security Life Insurance Company offers the following product serviced by EyeMed Vision Care, LLC: PPO Vision