



School Insurance Specialists

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Ovid-Elsie Area Schools
Rhonda Trochlil
8989 E Colony Rd
Elsie, MI 48831

Received
JUN 2011

Ovid-Elsie Area Schools
Administration Office

Dear Rhonda,

Thank you for inquiring about your status as "policyholder" of your Blue Cross Blue Shield of Michigan medical plan. Please find your signed agreement with BCBSM enclosed. The purpose of this letter is to highlight some key phrases from the BCBSM agreement.

Introductory Paragraph:

"Blue Cross Blue Shield of Michigan (BCBSM) will provide health care coverage to Members, i.e., eligible persons enrolled through the group identified below..."

Item #2: "Group as Agent"

"For all purpose of this Agreement, including the payment of premiums, the Group is agent for all Members."

Item #13: "Licensee Status of BCBSM"

"This agreement is between the Group and BCBSM..."

Item #19: "Entire Agreement"

"This agreement (including Parts B and C) together with any attachments is the entire agreement between BCBSM and the group..."

Our understanding is that the BCBSM agreements, including the references above, indicate the type of direct relationship between your district and BCBSM that would qualify you as policyholder. However, discussions about the exact meaning of the term "policyholder" are ongoing with regard to Best Practice incentive qualifications and we advise you to seek guidance from the Michigan Department of Education as appropriate.

Please expect further communication from us as the legislative position on the term policyholder is clarified. Be assured that SET SEG will take any steps necessary to ensure that coverage afforded through any SET Employee Benefits program does not present a barrier to districts accessing the Best Practice incentive funding.

Best regards,

[Handwritten signature]

Chadd Hodkinson
Employee Benefits Operations Manager
SET SEG



415 W. Kalamazoo St.
Lansing, MI 48933-2079

Lansing 517-482-0871
Toll-Free 800-292-5421
Fax 517-492-0883