# ADMINISTRATIVE SERVICES AGREEMENT

This Administrative Services Agreement ("Agreement") between UMR, Inc. ("UMR" in this Agreement) and City of Grand Island ("Customer" in this Agreement) is effective October 1, 2019 ("Effective Date"). This Agreement covers the services UMR is providing to Customer, either directly or in conjunction with one of UMR's affiliates, for use with Customer's Self-Funded employee benefit plan.

UMR, Inc. identifies this arrangement as Contract No.: 76-414079

By signing below, each party agrees to the terms of this Agreement.

**City of Grand Island**
100 East First Street
Grand Island, NE 68802

**By:** Roger G. Steele
Authorized Signature

**Print Name:** Roger G. Steele

**Print Title:** Mayor

**Date:** August 19 2019

**UMR, Inc.**
400 E. Business Way, Suite 100
Cincinnati, OH 45241

**By:**
Authorized Signature

**Print Name:** Adeline Murray

**Print Title:** Regional Contract Manager

**Date:** 8/16/19

# Table of Contents



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## Section 1 – Definitions

When these terms are capitalized in the Agreement they have the meanings set forth below. The words may be singular or plural.

**Bank Account:** Bank Account maintained for the payment of Plan benefits, expenses, fees and other Customer financial obligations.

**Employee:** A current or former employee of Customer or its affiliated employer.

**IRC:** The United States Internal Revenue Code of 1986, as amended from time to time.

**IRS:** The United States Internal Revenue Service.

**Medical Benefit Drug Rebate:** Any discount, price concession, or other direct or indirect remuneration UMR receives from a drug manufacturer under a rebate agreement that is contingent upon and related directly to Participant use of a prescription drug under the Plan's medical benefit during the Term. Medical Benefit Drug Rebate does not include any discount, price concession, administration fees, or other direct or indirect remuneration UMR receives from a drug manufacturer for direct purchase of a prescription drug.

**Medicare Part D Retiree Drug Subsidy Program ("RDS"):** The program as set forth in Section 1860D-22 of Title XVIII of the Social Security Act, as amended by the Medicare Prescription Drug, Improvement and Modernization Act of 2003 ("MMA"), Subpart R of the MMA Final Regulation, or any successor regulation promulgated by the Centers for Medicare and Medicaid Services ("CMS"), and any guidance issued by CMS, and any mandated updates of required information.

**Network:** The group of Network Providers UMR makes available to the Plan who have entered into or are governed by contractual arrangements under which they agree to provide health care services to Participants and accept negotiated fees for these services.

**Network Provider:** The physician, or medical professional or facility which participates in a Network. A provider is only a Network Provider if they are participating in a Network at the time services are rendered to the Plan Participant.

**Overpayments:** Payments that exceed the amount payable under the Plan. This term does not include overpayments caused by untimely or inaccurate eligibility information.

**Participant:** Employee or dependent who is covered by the Plan.

**PHI:** Any information UMR receives or provides on behalf of the Plan which is considered Protected Health Information as the term is defined in the privacy regulations of the Health Insurance Portability and Accountability Act of 1996.

**Plan:** The plan to which this Agreement applies, but only with respect to those provisions of the plan relating to the Self-Funded health benefits UMR is administering, as described in the Summary Plan Description.

**Plan Administrator:** The current or succeeding person, committee, partnership, or other entity designated the Plan Administrator who is generally responsible for the Plan's operation.

**Proprietary Business Information:** Nonpublic information, trade secrets, and other data including, but not limited to, sales and marketing information, management systems, strategic plans and other information about the disclosing party's business, industry, products and services, plans, specifications, operation methods, pricing, costs, techniques, manuals, know-how and other intellectual property, in written, oral, electronic or other tangible form, provided by one party to another or its representative; and all information, documents, technology, products, and services containing or derived from Proprietary Business Information which was or may have been transmitted, given or made available to or viewed by one party or another in the course of the party's relationship. UMR's Proprietary Business Information includes UMR Financial PBI, as defined in this Section below.

**Self-Fund** or **Self-Funded:** Means that Customer, on behalf of the Plan, has the sole responsibility to pay, and provide funds, to pay for all Plan benefits.

**Summary Plan Description or SPD:** The document(s) Customer provides to Plan Participants describing the terms and conditions of coverage offered under the Plan.

**Systems:** Means the systems UMR owns or makes available to Customer to facilitate the transfer of information in connection with this Agreement.

**Tax** or **Taxes:** A charge imposed, assessed or levied by any federal, state, local or other governmental entity.

**Term or Term of the Agreement:** The period of twelve (12) months commencing on the Effective Date (the "Initial Term") and automatically continuing for additional 12-month periods (each, a "Renewal Term") until the Agreement is terminated.

**UMR Financial PBI**: UMR's Proprietary Business Information that includes, but is not limited to, discounts and other financial provisions related to UMR's contracted healthcare providers and claims data from which those financial provisions may be derived and financial provisions related to prescription drug products covered under the medical benefit, the Prescription Drug List, reimbursement rates, compensation arrangements, and all other financial provisions related to the pharmacy benefits contained in this Agreement. While the Prescription Drug List is considered UMR's Proprietary Business Information, it may be disclosed in the limited circumstances outlined in this Agreement.

## Section 2 – Customer Responsibilities

**Section 2.1 Responsibility for the Plan.** UMR is not the Plan Administrator of the Plan. Any references in this Agreement to UMR "administering the Plan" are descriptive only and do not confer upon UMR anything beyond certain agreed upon claim administration duties. Except to the extent this Agreement specifically requires UMR to have the fiduciary responsibility for a Plan administrative function, Customer accepts total responsibility for the Plan for purposes of this Agreement, including its benefit design, the legal sufficiency and distribution of SPDs, and compliance with any laws that apply to Customer or the Plan, whether or not Customer or someone Customer designates is the Plan Administrator. The Customer represents and warrants that the Plan has the authority to pay fees due under this Agreement from Plan assets.

**Section 2.2 Plan Consistent with the Agreement.** Customer represents that Plan documents, including the Summary Plan Description as described in Exhibit A – Statement of Work, are consistent with this Agreement. Nevertheless, before distributing any communications describing Plan benefits or provisions to Participants or third parties, Customer will provide UMR with such communications which refer to UMR or UMR's services. Customer will amend them if UMR reasonably determines that references to UMR are not accurate, or any Plan provision is not consistent with this Agreement or the services that UMR is providing.

**Section 2.3 Plan Changes.** Customer must provide UMR with notice of any changes to the Plan and/or Summary Plan Description within a reasonable period of time prior to the effective date of the change to allow UMR to determine if such change will alter the services UMR provides under this Agreement. Customer's requested changes must be mutually agreed to in writing prior to implementation of such change. UMR will notify Customer if (i) the change increases UMR's cost of providing services under this Agreement or (ii) UMR is reasonably unable to implement or administer the change. If the parties cannot agree to a new fee within (30) thirty days of the notice of the new fee, or if UMR notifies Customer that UMR is unable to reasonably implement or administer the change, UMR shall have no obligation to implement or administer the change, and Customer may terminate this Agreement upon (60) sixty days written notice.

**Section 2.4 Affiliated Employers.** Customer represents that together Customer and any of its affiliates covered under the Plan make up a single "controlled group" as defined by the IRC. Customer agrees to provide UMR with a list of Customer's affiliates covered under the Plan upon request.

**Section 2.5 Information Customer Provides to UMR.** Customer will tell UMR which of Customer's Employees, their dependents, any other persons, or any combination of these, are Participants. This information must be accurate and provided to UMR in a timely manner. Customer will notify UMR of any change to this information as soon as reasonably possible.

UMR will be entitled to rely on the most current information in UMR's possession regarding eligibility of Participants in paying Plan benefits and providing other services under this Agreement. UMR will not be required to process or reprocess claims, but if UMR agrees to do so, additional fees may apply.

Customer agrees to provide UMR, in a timely manner with all information that UMR reasonably requires to provide services under this Agreement. UMR shall be entitled to rely upon any written or oral communication from Customer, its designated employees, agents, or authorized representatives.

**Section 2.6 Notices to Participants.** Customer will give Participants the information and documents they need to obtain benefits under the Plan within a reasonable period of time before coverage begins. In the event this Agreement is discontinued, Customer will notify all Participants that the services UMR is providing under this Agreement are discontinued.

**Section 2.7 Escheat.** Customer is solely responsible for complying with all applicable abandoned property or escheat laws, making any required payments, and filing any required reports.

## Section 3 – Fees

**Section 3.1 Fees.** Customer will pay fees to UMR as compensation for the services provided by UMR. In addition to the fees specified in Exhibit B - Fees, Customer must also pay UMR any additional fee that is authorized by a provision elsewhere in this Agreement or is otherwise agreed to by the parties.

**Section 3.2 Changes in Fees.** (a) UMR can change the fees on each Renewal Term. UMR will provide Customer with thirty (30) days prior written notice of the revised fees for subsequent Renewal Terms. Any such fee change will become effective on the later of the first day of the new Renewal Term or thirty (30) days after UMR provides Customer with written notice of the new fees. UMR will provide Customer with a new Exhibit B - Fees that will replace the existing Exhibit B - Fees for the new Renewal Term.

(b) UMR may also change the fees, if any one or more of the following occur:

(1) any time there are changes made to this Agreement or the Plan, which affect the fees;

(2) when there are changes in laws or regulations which affect or are related to the services UMR is providing, or will be required to provide, under this Agreement, including the Taxes and fees noted in Section 5 Taxes And Assessments;

(3) if the number of Employees covered by the Plan or any Plan option changes by fifteen percent (15%) or more; or

(4) if the average contract size, defined as the total number of enrolled Participants divided by the total number of enrolled Employees, varies by 15% or more from the assumed average contract size. Any new fee required by such change will be effective as of the date the changes occur, even if that date is retroactive.

(c) If Customer does not agree to any change in fees, Customer may terminate this Agreement upon thirty (30) days written notice after Customer receives written notice of the new fees. Customer must still pay any amounts due for the periods during which the Agreement is in effect.

**Section 3.3 Due Dates, Payments, and Penalties.** Customer agrees to pay fees to UMR based on the monthly invoice UMR provides. UMR reserves the right to provide Customer with an estimated invoice for the first month of services. The due date for payment of the invoiced amounts is on the last day of the month for such billing period ("Due Date"). Such invoices are provided on an eligibility-based format, and therefore payment must be made as billed (no adjustments are allowed to the invoice). Adjustments to monthly billing statements for retroactive enrollment or eligibility changes will be performed based on information provided by Customer. Requests for fee adjustment must be made in a timely manner but no more than three (3) months following the date of the change.

Late Payment. If amounts owed are not paid as required when due, Customer will be provided with a notice of default and fifteen (15) days to cure. If Customer does not cure, UMR may terminate this Agreement as provided for in this Agreement. If any portion of the fee is disputed, Customer shall pay UMR the undisputed portion as provided in this Section 3, and shall provide written details to UMR prior to the date payment is due, explaining Customer's good faith basis for disputing such fee. Customer may withhold the disputed portion during pendency of such dispute, during which time both parties agree to use commercially reasonable efforts to resolve the dispute.

## Section 4 – Records, Information, Audits

**Section 4.1 Records.** UMR shall keep records relating to the services it provides under this Agreement for as long as UMR is required to do so by law.

**Section 4.2 Proprietary Business Information.** Each party will limit the use of the other's Proprietary Business Information to only the information required to administer the Plan, to perform under this Agreement, or as otherwise permitted under this Agreement. Neither party will disclose the other's Proprietary Business Information to any person or entity other than to the receiving party's employees, subcontractors, or authorized agents needing access to such information to administer the Plan, to perform under this Agreement, or as otherwise permitted under this Agreement, except that UMR's Financial PBI cannot be disclosed by Customer to any third party without UMR's express written consent and, if required by UMR, a mutually agreed upon confidentiality agreement. This provision shall survive the termination of this Agreement.

**Section 4.3 Access to Information.** Other than as provided for in Section 4.4, if Customer needs access to UMR's Proprietary Business Information, UMR may allow Customer to use UMR's Proprietary Business Information, if it is legally permissible, the information relates to UMR's services under this Agreement, and Customer gives UMR reasonable advance notice and an explanation of the need for such information. Such use is subject to the terms of this Agreement and, if required by UMR, a mutually agreed upon confidentiality agreement.

If Customer is subject to a Freedom of Information Act (FOIA) request and the request includes UMR's Proprietary Business Information, Customer will contact UMR prior to releasing any information and give UMR the opportunity to review, respond, and/or object to the FOIA request.

UMR will provide information only while this Agreement is in effect and for a period of twelve (12) months after the Agreement terminates, unless Customer demonstrates that the information is required by law or for Plan administration purposes.

UMR also will provide reasonable access to information to an entity providing Plan administrative services to Customer, such as a consultant or vendor, if Customer requests it. Before UMR provides Proprietary Business Information to that entity, the parties must sign a mutually agreed-upon confidentiality agreement, and the parties must agree as to what information is minimally necessary to accomplish the Plan administrative service.

Customer is responsible for entering into any and all legally required agreements with consultant or vendor to ensure protection of the PHI, including but not limited to, a Business Associate Agreement, as defined under the Health Insurance Portability and Accountability Act and its implementing regulations, as amended from time to time.

**Section 4.4 Audits.** During the term of the Agreement, and at any time within twelve (12) months following its termination, a mutually agreeable entity may conduct an annual medical claims audit of UMR's performance under the Agreement once each calendar year. Prior to the commencement of this audit, UMR must receive a signed, mutually agreeable confidentiality agreement.

Customer must advise UMR in writing of its intent to audit. The place, time, type, duration, and frequency of all audits must be reasonable and agreed to by UMR. All audits will be limited to information relating to the previous eighteen (18) months.

With respect to UMR's claims processing services, the audit scope and methodology will be consistent with generally acceptable auditing standards, including a statistically valid random sample as approved by UMR ("Scope"). UMR will not support any external audits a) where the audit firm is paid on a contingency basis, and b) that do not use a statistically valid random selection methodology (other than as provided for in this section); this includes electronic/data mining audits that are used for purposes of recovery discovery.

Customer will pay any expenses that it incurs in connection with the audit. In addition, Customer will be charged a reasonable per claim charge and a per day charge for any on-site audit visit that is not completed within five (5) business days or for sample sizes exceeding the Scope specified above. The additional fees cover the additional resources, facility fees, and other incremental costs associated with an audit that exceeds the Scope.

In addition to Customer's expenses and any applicable fees, Customer will also pay any extraordinary expenses UMR incurs due to a Customer request related to the audit, such fees to be reviewed and approved by the Customer in advance. For any audit initiated after this Agreement is terminated or for any audit in addition to those provided for in this Section (if approved by UMR), Customer will pay all expenses incurred by UMR.

Customer will provide UMR with a copy of any audit reports within thirty (30) days after Customer receives the audit report(s) from the auditor.

**Section 4.5 Service Auditor Reports.** UMR may make its Type II service auditor report ("Report") available to UMR's self-funded customers each year for Customer's review in connection with Plan administrative purposes only. The Report will be issued under the guidance of Statement on Standards for Attestation Engagements #16 (SSAE18). Should new guidelines covering service auditor reports be issued, UMR may make the equivalent of, or any successor to, the SSAE18 Type II Report available to UMR's self-funded customers. The Report is UMR's Proprietary Business Information and shall not be shared with any third parties without UMR's prior written approval, except that Customer can share the Report with: (i) Customer's independent public accounting firm; and/or (ii) Customer's consultants on the condition that such consultants are not in any way a competitor of UMR's and that Customer informs its consultants that the Report was not prepared for their use. To the extent that Customer does provide the Report to its independent public accounting firm or a consultant as permitted in this Section, Customer shall require that they retain the Report as confidential and that they not disclose such Report to any other persons or entities.

**Section 4.6 PHI.** The parties' obligations with respect to the use and disclosure of PHI are outlined in the Business Associate Addendum attached to this Agreement.

## Section 5 – Taxes And Assessments

**Section 5.1 Payment of Taxes and Expenses.** In the event that any Taxes are assessed against UMR as a claim administrator in connection with UMR's services under this Agreement, including all topics identified in Section 5.3 Customer will reimburse UMR through the Bank Account for Customer's proportionate share of such Taxes (but not Taxes on UMR's net income). UMR has the authority and discretion to reasonably determine whether any such Tax should be paid or disputed. Customer will also reimburse UMR for a proportionate share of any cost or expense reasonably incurred by UMR in disputing such Tax, including costs and reasonable attorneys' fees and any interest, fines, or penalties relating to such Tax, unless caused by UMR's unreasonable delay or unreasonable determination to dispute such Tax.

**Section 5.2 Tax Reporting.** In the event that the reimbursement of any benefits to Participants in connection with this Agreement is subject to Plan or employer based tax reporting requirements, Customer agrees to comply with these requirements.

**Section 5.3 State and Federal Surcharges, Fees and Assessments.** The Plan is responsible for state or Federal surcharges, assessments, or similar Taxes imposed by governmental entities or agencies on the Plan or UMR, including, but not limited to, those imposed pursuant to The Patient Protection and Affordable Care Act of 2010 ("PPACA"), as amended from time to time. This includes the funding, remittance, and determination of the amount due for PPACA required taxes and fees.

## Section 6 – Indemnification

**Section 6.1 Customer Indemnifies UMR.** (a) Customer will indemnify UMR and hold UMR harmless against any and all losses, liabilities, penalties, fines, costs, damages, and expenses, UMR incurs, including reasonable attorneys' fees and costs, which arise out of:

(1) Customer or its vendors', subcontractors' or authorized agents' gross negligence or willful misconduct in the performance of (A) Customer's or its vendors', subcontractors, or authorized agents' obligations under this Agreement, or (B) Customer's or its vendors', subcontractors', or authorized agents' performance under any other agreements entered into by UMR with those third parties on Customer's behalf.

(2) Customer's material breach of (A) this Agreement, or (B) any other agreements entered into by UMR with third parties on Customer's behalf;

(3) A breach by a third party of any other agreements UMR enters into with such third parties on Customer's behalf as directed by the Customer in writing; and

(4) third party claims brought against UMR as the claims administrator (e.g. a claim raised by the federal government based on the federal Medicare Secondary Payor laws) where UMR acted in accordance with this Agreement and the Plan and where UMR administered the Plan in accordance with these rules based upon the eligibility Customer or Customer's designee provided, and benefit coverage information that Customer has reviewed and signed off on, in UMR's possession at the time the claim was processed.

(b) If the parties are unable to mutually resolve the matter, or are unable to resolve it through mediation, the indemnification obligations set forth in this Section are enforceable against Customer only as determined by a court or other tribunal having jurisdiction of the matter.

(c) This provision shall survive the termination of this Agreement.

**Section 6.2 UMR Indemnifies Customer.** (a) UMR will indemnify Customer and hold Customer harmless against any and all losses, liabilities, penalties, fines, costs, damages, and expenses, that Customer incurs, including reasonable attorneys' fees and costs, which arise out of:

(1) UMR or its vendors', subcontractors' or authorized agents' gross negligence or willful misconduct in the performance of UMR or its vendors', subcontractors' or authorized agents' obligations under this Agreement; and

(2) UMR's material breach of this Agreement.

(b) If the parties are unable to mutually resolve the matter, or are unable to resolve it through mediation, the indemnification obligations set forth in this Section are enforceable against UMR only as determined by a court or other tribunal having jurisdiction of the matter.

(c) Customer will remain responsible for payment of benefits and UMR's indemnification will not extend to indemnification of Customer or the Plan against any claims, liabilities, damages, judgments, or expenses that constitute payment of Plan benefits.

(d) This provision shall survive the termination of this Agreement.

## Section 7 – Plan Benefits Litigation

**Section 7.1 Litigation Against UMR.** If a demand is asserted, or litigation or administrative proceedings are begun by a Participant or healthcare provider against UMR to recover Plan benefits related to its duties under this Agreement ("Plan Benefits Litigation"), UMR will select and retain defense counsel to represent its interest.

**Section 7.2 Litigation Against Customer.** If Plan Benefits Litigation is begun against Customer and/or the Plan, Customer will select and retain counsel to represent its interest.

**Section 7.3 Litigation Against UMR and Customer.** If Plan Benefits Litigation is begun against the Plan and UMR jointly, and provided no conflict of interest arises between the parties, the parties may agree to joint defense counsel. If the parties do not agree to joint defense counsel, then each party will select and retain separate defense counsel to represent their own interests.

**Section 7.4 Litigation Fees and Costs.** All reasonable legal fees and costs UMR incurs will be paid by Customer (except as provided in Section 6.2) if UMR gives Customer reasonable advance notice of UMR's intent to charge Customer for such fees and costs, and UMR consults with Customer in a manner consistent with UMR's fiduciary obligations on UMR's litigation strategy.

**Section 7.5 Litigation Cooperation.** Both parties will cooperate fully with each other in the defense of Plan Benefits Litigation.

**Section 7.6 Payment of Plan Benefits.** In all events, Customer is responsible for the full amount of any Plan benefits paid as a result of Plan Benefits Litigation.

**Section 7.7 Survival.** This provision shall survive the termination of this Agreement.

## Section 8 – Mediation

Except in the case of UMR's termination due to Customer's failure to provide funds for benefits or fees, in the event that any dispute, claim, or controversy of any kind or nature relating to this Agreement arises between the parties, the parties agree to meet and make a good faith effort to resolve the dispute. If the dispute is not resolved within thirty (30) days after the parties first met to discuss it, and either party wishes to pursue the dispute further, that party will refer the dispute to non-binding mediation under the Commercial Mediation Rules of the American Arbitration Association ("AAA"). In no event may the mediation be initiated more than one year after the date one party first gave written notification of the dispute to the other party. A single mediator engaged in the practice of law, who is knowledgeable about employee benefit plan administration, will conduct the mediation under the then current rules of the AAA. The mediation will be held in a mutually agreeable site. Nothing in this Section is intended to prevent either party from seeking any other remedy available at law including seeking redress in a court of competent jurisdiction. This provision shall survive the termination of this Agreement.

## Section 9 – Termination

**Section 9.1 Services End.** UMR's services under this Agreement stop on the date this Agreement terminates, regardless of the date that claims are incurred. However, UMR may agree to continue providing certain services beyond the termination date, as provided in Exhibit A – Statement of Work.

**Section 9.2 Termination Events.** This Agreement will terminate under the following circumstances:

(1) The Plan terminates;

(2) Both parties agree in writing to terminate the Agreement;

(3) After the Initial Term, either party gives the other party at least sixty (60) days prior written notice;

(4) UMR gives Customer notice of termination because Customer did not pay the fees or other amounts Customer owed UMR when due under the terms of this Agreement;

(5) UMR gives Customer notice of termination if Customer fails to provide the required funds for payment of benefits under the terms of this Agreement;

(6) Either party is in material breach of this Agreement, other than by non-payment or late payment of fees owed by Customer or the funding of Plan benefits, and does not correct the breach within thirty (30) days after being notified in writing by the other party;

(7) UMR may terminate this Agreement in the event of a filing by or against the Customer of a petition for relief under the Federal Bankruptcy Code;

(8) Any state or other jurisdiction prohibits a party from administering the Plan under the terms of this Agreement, or imposes a penalty on the Plan or UMR and such penalty is based on the administrative services specified in this Agreement. In this situation, the party may immediately discontinue the Agreement's application in such state or jurisdiction. Notice must be given to the other party when reasonably practical. The Agreement will continue to apply in all other states or jurisdictions; or

(9) As otherwise specified in this Agreement.

## Section 10 – Miscellaneous

**Section 10.1 Subcontractors.** UMR can use its affiliates or subcontractors to perform UMR's services under this Agreement. UMR will be responsible for those services to the same extent that UMR would have been had it performed those services without the use of an affiliate or subcontractor.

**Section 10.2 Assignment.** Except as provided in this paragraph, neither party can assign this Agreement or any rights or obligations under this Agreement to anyone without the other party's written consent. That consent will not be unreasonably withheld. Nevertheless, UMR can assign this Agreement, including all of its rights and obligations to UMR's affiliates, to an entity controlling, controlled by, or under common control with UMR, or a purchaser of all or substantially all of UMR's assets, subject to notice to Customer of the assignment.

**Section 10.3 Governing Law.** This Agreement is governed by the applicable laws of the State of Delaware. This provision shall survive the termination of this Agreement.

**Section 10.4 Entire Agreement.** This Agreement, with its exhibits, constitutes the entire agreement between the parties governing the subject matter of this Agreement. This Agreement replaces any prior written or oral communications or agreements between the parties relating to the subject matter of this Agreement. The headings and titles within this Agreement are for convenience only and are not part of the Agreement.

**Section 10.5 Amendment.** Except as may otherwise be specified in this Agreement, the Agreement may be amended only by both parties agreeing to the amendment in writing, executed by a duly authorized person of each party.

**Section 10.6 Waiver/Estoppel.** Nothing in this Agreement is considered to be waived by any party, unless the party claiming the waiver receives the waiver in writing. No breach of the Agreement is considered to be waived unless the non-breaching party waives it in writing. A waiver of one provision does not constitute a waiver of any other. A failure of either party to enforce at any time any of the provisions of this Agreement, or to exercise any option which is provided in this Agreement, will in no way be construed to be a waiver of such provision of this Agreement.

**Section 10.7 Notices.** Any notices, demands, or other communications required under this Agreement will be in writing and may be provided via electronic means or by United States Postal Service by certified or registered mail, return receipt requested, postage prepaid, or delivered by a service that provides written receipt of delivery.

**Section 10.8 Use of Name.** The parties agree not to use each other's name, logo, service marks, trademarks or other identifying information without the written permission of the other, except that Customer grants UMR permission to use Customer's name, logo, service marks, trademarks or other identifying information to the extent necessary for UMR to carry out its obligations under this Agreement (e.g. on SPDs and ID cards).

**Section 10.9 Compliance with Laws and Regulations.** The parties agree to comply with all applicable federal, state and other laws and regulations with respect to this Agreement.

**Section 10.10 No Third Party Beneficiaries.** Nothing in this Agreement shall confer upon any person other than the parties and their respective successors or assigns, any rights, remedies, obligations, or liabilities whatsoever.

**Section 10.11 Severability.** The invalidity or unenforceability of any provision of this Agreement will not affect the validity or enforceability of any other provision. However, it is intended that a court of competent jurisdiction construe any invalid or unenforceable provision of this Agreement by limiting or reducing it so as to be valid or enforceable to the extent compatible with applicable law.

**Section 10.12 Acceptance.** Following the Effective Date and after Customer has provided three (3) months' worth of funds for the processing of claims and/or the payment of administrative fees, this Agreement is deemed executed by the parties.

# EXHIBIT A – STATEMENT OF WORK

The following are the administrative services UMR has agreed to provide to Customer. Customer may request that UMR provide services in addition to those set forth in this Agreement. If UMR agrees to provide them, those services will be governed by the terms of this Agreement and any amendments to this Agreement. Customer will pay an additional fee, determined by UMR, for these additional services. The services described in this Exhibit will be made available to Customer's eligible Participants consistent with the Summary Plan Description under which the Participant is covered.

### Section A1 Network

**Network Access, Management and Administration.** UMR will provide access to Networks and Network Providers, as well as related administrative services including physician (and other health care professional) relations, clinical profiling, contracting and credentialing, and network analysis and system development. The make-up of the Network can change at any time. Notice will be given in advance or as soon as reasonably possible.

UMR generally does not employ Network Providers and they are not UMR's agents or partners, although certain Network Providers are affiliated with UMR. Otherwise, Network Providers participate in Networks only as independent contractors. Network Providers and the Participants are solely responsible for any health care services rendered to Participants. UMR is not responsible for the medical outcomes or the quality or competence of any provider or facility rendering services, including Network Pharmacies and services provided through UMR's affiliates' networks, or the payment for services rendered by the provider or facility.

**Value Based Contracting Program.** UMR's contracts with some Network Providers may include withholds, incentives, and/or additional payments that may be earned, conditioned on meeting standards relating to utilization, quality of care, efficiency measures, compliance with UMR's other policies or initiatives, or other clinical integration or practice transformation standards. Customer shall fund these payments due the Network Providers as soon as UMR makes the determination the Network Provider is entitled to receive the payment under the Network Provider's contract, either upfront or after the standard has been met. For upfront funding, if UMR makes the determination that the Network Provider failed to meet a standard, UMR will return to Customer the applicable amount. UMR shall provide Customer reports describing the amount of payments made on behalf of Customer's Plan.

Only the initial claims based reimbursement to Network Providers will be subject to the Participant's copayment, coinsurance, or deductible requirements. Customer will pay the Network Provider the full amount earned or attributable to its Participants, without a reduction for copayments or deductibles and agree that there will be no impact from these payments on the calculation of the Participant's satisfaction of their annual deductible amount.

### Section A2 Recovery Services

**Claim Recoveries.** In the event an Overpayment is made, UMR shall make an attempt to recover Overpayments using its Overpayment recovery procedures. In the event the recovery attempts are unsuccessful, UMR will follow its established overpayment recovery rules for an escalated recovery process. Recovery attempts will remain open for a minimum of twelve months. UMR will be responsible for reimbursement of any unrecovered Overpayment to the extent the Overpayment was due to UMR's gross negligence.

Customer will be charged fees for the services described in this Section provided by UMR through a subcontractor or affiliate, or as negotiated in advance with Customer. The fees are deducted from the actual recoveries. Customer will be credited with the net amount of the recovery.

**Subrogation.** UMR will also provide services to recover Plan benefits that were paid and are recoverable by the Plan because payment was or should have been made by a third party for the same medical expense (other than in connection with coordination of benefits, Medicare, or other Overpayments). This is referred to as "Third Party Liability Recovery" (or "subrogation"). Customer will not engage any entity except UMR to provide the services described in this Section without UMR's prior approval.

UMR may initiate litigation to recover payments, but UMR has no obligation to do so. If UMR initiates litigation, Customer will cooperate with UMR in the litigation.

Customer will be charged fees for the Subrogation services as shown in Exhibit B – Fees. The fees are deducted from the actual Subrogation recoveries. Customer will be credited with the net amount of the Subrogation recovery.

In the event that Customer directs UMR to stop working on a particular Subrogation claim because the Customer wants to handle the Subrogation claim itself, or because the Customer waives its Subrogation interest, or for other reasons, UMR retains the right to charge Customer a reasonable fee based on costs incurred prior to receiving that notification from Customer.

**Claim Recovery and Subrogation Process.** Customer delegates to UMR the discretion and authority to develop and use standards and procedures for any recovery, including but not limited to, whether or not to seek recovery, what steps to take if UMR decides to seek recovery, and the circumstances under which a claim may be compromised or settled for less than the full amount of the claim. Customer acknowledges that use of UMR's standards and procedures may not result in full or partial recovery for any particular case. UMR will not pursue any recovery if it is not permitted by any applicable law, or if recovery would be impractical.

If this Agreement terminates, or, if UMR's claim recovery or Subrogation services terminate, UMR can continue to recover any payments UMR is in the process of recovering. The appropriate fees will continue to be deducted from the actual recovery, when and if a recovery is obtained.

**Fraud and Abuse Management.** UMR's Special Investigation Unit reviews and investigates potentially fraudulent or inappropriate billings submitted by providers and Participants. Following investigation, the identified Claims are either paid in accordance with the Plan, or are denied for such reasons as are uncovered by the Special Investigation Unit. Fraud and Abuse Management processes will be based upon UMR's proprietary and confidential procedures, modes of analysis and investigations.

UMR will use these procedures and standards in delivering Fraud and Abuse Management services to Customer and UMR's other customers. These procedures and standards include, but are not limited to: whether or not to seek recovery, what steps to take if UMR decides to seek recovery, and under what circumstances to compromise a claim or settle for less than the full amount.

Customer delegates to UMR the discretion and authority to use such procedures and standards, including the authority to undertake actions, including legal actions, which have the largest impact for the largest number of customers. Customer acknowledges that the use of these procedures and standards may not result in full or partial recovery or in full recovery for any particular case. UMR does not guarantee or warranty any particular level of prevention, detection, or recovery. UMR agrees to perform Fraud and Abuse Management services pursuant to the industry standards for such services. If this Agreement terminates, or if UMR's claim recovery services terminate, UMR can elect to continue fraud and abuse recoveries that are in progress and the fees will continue to apply.

**Section A3 Providing Funds for Benefits**

**Responsibility.** The Plan is Self-Funded. Customer is solely responsible for providing funds for payment for all Plan benefits payable to Participants, Network Providers, or non-Network Providers. UMR has no liability or responsibility to provide these funds.

**Control of Plan Assets.** In the event that the Plan is found to have Plan assets, the Customer shall have absolute authority with respect to such Plan assets, and UMR shall neither have nor be deemed to exercise any discretion, control or authority with respect to the disposition of Plan assets.

**Bank Account**. UMR has agreed to establish a Bank Account on behalf of Customer, in Customer's name and tax identification number. The Bank Account is set up in a manner so that banking fees are offset for Customer in lieu of earning interest. UMR, shall be given the necessary nonexclusive authority to utilize funds in the Bank Account for payment of Plan benefits, Plan expenses (such as state surcharges or assessments), and other agreed upon services under the Agreement.

**Services.** UMR shall be responsible for the performance of Bank Account reconciliation. UMR agrees to send search letters to payees of uncashed checks in accordance with UMR's established procedures. Uncashed checks will be returned to the Plan as soon as reasonably possible after search efforts have ceased. In no event shall UMR become a holder of unclaimed property, as defined in any applicable unclaimed property law.

**Security Deposit.** Customer agrees to a security deposit in an amount determined by UMR. UMR reserves the right to require adjustments of the security deposit based on actual average disbursement activity. The security

deposit is to cover periodic fluctuations in claim activity and must remain in the account as long as UMR continues to issue payments against the account. UMR agrees to return the balance of the security deposit to Customer as soon as reasonably possible after the Bank Account is closed.

**Payment Authorization**. Authorization to release payments drawn on Customer's Bank Account will be provided by UMR once Customer's funding obligations have been met. UMR offers various frequencies for the printing and release of checks and electronic payments. If a month-end clear option is applied, that means any payments held in queue at the end of the month will be released on the last working day of the month. UMR will provide weekly reports regarding cash disbursements to Customer.

**Timing.** On behalf of Customer, UMR will initiate weekly reimbursement of Customer's Bank Account via ACH debit.

**Account Balance.** In the event Customer's Bank Account balance falls below fifty percent (50%) of the security deposit amount, UMR reserves the right to either initiate an ACH for disbursements not funded or UMR will contact Customer and request Customer wire transfer needed funds to Bank Account. In the event the Bank Account balance falls below twenty five percent (25%) of the security deposit, UMR reserves the right to suspend payment of claims under Customer's Plan(s). Payment of such claims will be restored when UMR has been reimbursed for all outstanding disbursements and the security deposit has been restored. In the event the disbursement activity creates a deficit in the account, UMR will immediately notify Customer. A same day wire deposit to Customer's Bank Account must be made to fund all unpaid Claims and to restore the security deposit amount. Customer agrees to pay overdraft charges, when applicable, related to the maintenance of the Bank Account. UMR will maintain the Bank Account for a period of one hundred eighty (180) days after the last check is cut or one hundred eighty (180) days after the date of the oldest outstanding check. Customer is responsible for paying UMR the monthly banking maintenance fee as set forth in Exhibit B - Fees for as long as the account remains open.

### Section A4 Claims Determinations and Appeals

**Claim Procedures.** Customer appoints UMR a named fiduciary under the Plan with respect to (i) performing initial benefit determinations and payment, (ii) performing the fair and impartial review of first level internal appeals and (iii) performing the fair and impartial review of second level internal appeals (if applicable). As such, Customer delegates to UMR the discretionary authority to (i) construe and interpret the terms of the Plan, (ii) to determine the validity of charges submitted to UMR under the Plan, and (iii) make final, binding determinations concerning the availability of Plan benefits under the Plan's internal appeal process, all in compliance with applicable law and regulation. In the event that Customer has not finalized the Summary Plan Description (SPD) before UMR receives an appeal from a Participant, then UMR will follow the claims installation documents that Customer approved, or if needed, UMR will contact Customer for applicable information. Participants who receive an adverse benefit determination can file an appeal with UMR within the timelines established in Customer's SPD. It is understood that UMR will provide one or two appeal levels for claims that it has processed, as mutually agreed to in writing by the parties. UMR agrees to send an appealed claim to an independent reviewer if required by Department of Labor or Department of Health and Human Services. In addition, and if applicable to Customer's Plan, UMR agrees to send a voluntary appeal to an independent review organization in compliance with health care reform regulations. Customer understands that the cost of such mandated independent reviews will be the responsibility of Customer, unless otherwise stated in Exhibit B - Fees. It is understood that UMR is not responsible for handling appeals on claim-related decisions that were originally made by another vendor of Customer's. Customer acknowledges and agrees that certain services provided by UMR and as described in the Summary Plan Description will comply with federal laws and regulations, as provided for under ERISA.

**Catastrophic Events:** During such time as a government agency declares a state of emergency or otherwise invokes emergency procedures with respect to Participants who may be affected by severe weather or other catastrophic events (a "Catastrophic Event Timeframe"), Customer directs UMR to implement certain changes in its claim procedures for affected Participants, including, for example: (a) exemption from the application of prior authorization requirements and/or penalties; (b) waiver of out-of-network restrictions (e.g., out-of-network providers paid at the Network Provider level) , (c) extension of time frames for timely claims filing and/or appeals, (d) early replacement of lost or damaged durable medical equipment, and (e) other protocols reasonably required to provide Participants with access to health plan and pharmacy benefits as applicable. Such protocols are applicable to

Participants whose place of residency falls within impacted areas of the Catastrophic Event, and for dates of service that fall within the Catastrophic Event Timeframe.

**Section A5 System Access**

**Access.** UMR grants Customer the nonexclusive, nontransferable right to access and use the functionalities contained within the Systems, under the terms specified in this Agreement. Customer agrees that all rights, title, and interest in the Systems and all rights in patents, copyrights, trademarks, and trade secrets encompassed in the Systems will remain UMR's. To obtain access to the Systems, Customer will obtain, and be responsible for maintaining, at no expense to UMR, the hardware, software, and Internet browser requirements UMR provides to Customer, including any amendments thereto. Customer will be responsible for obtaining an Internet Service Provider or other access to the Internet. Customer will not (i) access Systems or use, copy, reproduce, modify, or excerpt any Systems documentation provided by UMR in order to access or utilize Systems, for purposes other than as expressly permitted under this Agreement or (ii) share, transfer or lease Customer's right to access and use Systems, to any other person or entity which is not a party to this Agreement. Customer may designate any third party, with prior approval from UMR, to access Systems on Customer's behalf, provided the third party agrees to these terms and conditions of Systems access and Customer assumes joint responsibility for such access.

**Security Procedures.** Customer will use commercially reasonable physical and software-based measures to protect the passwords and user IDs provided by UMR for access to and use of any web site provided in connection with the services. Customer shall use commercially reasonable anti-virus software, intrusion detection and prevention system, secure file transfer and connectivity protocols to protect any email and confidential communications provided to UMR, and maintain appropriate logs and monitoring of system activity. Customer shall notify UMR within a reasonable timeframe of any (a) unauthorized access or damage, including damage caused by computer viruses resulting from direct access connection, and (b) misuse and/or unauthorized disclosure of passwords and user IDs provided by UMR which impact the System.

**Termination.** UMR reserves the right to terminate Customer's System access (i) on the date Customer fails to accept the hardware, software and browser requirements provided by UMR, including any amendments thereto or (ii) immediately on the date UMR reasonably determines that Customer has (i) breached, or allowed a breach of, any applicable provision of this Section or (ii) materially breached or allowed a material breach of, any other applicable provision of this Agreement. Customer's System Access will also terminate upon termination of this Agreement, except that if run-out is provided in accordance with Exhibit A - Statement of Work, Customer may continue to access applicable functionalities within the Systems during the run-out period. Upon any of the termination events described in this Agreement, Customer agrees to cease all use of Systems, and UMR will deactivate Customer's identification numbers, passwords, and access to the System.

**Section A6 Medical Benefit Drug Rebate Payments**

**Allocation and Payment of Medical Benefit Drug Rebates.** From time to time, UMR or a subcontractor may negotiate with drug manufacturers regarding the payment of Medical Benefit Drug Rebates on applicable prescription drug products dispensed to Participants under the Plan's medical benefit. Customer will receive 80% of the Medical Benefit Drug Rebates UMR receives. UMR will retain the balance of such Medical Benefit Drug Rebates as part of UMR's compensation. When UMR negotiates directly with drug manufacturers for the payment of Medical Benefit Drug Rebates to UMR, UMR will pay Customer the agreed upon Medical Benefit Drug Rebates within thirty (30) calendar days of UMR's receipt of such Medical Benefit Drug Rebates from the drug manufacturer. If UMR is not able to make payment to Customer within thirty (30) calendar days, UMR will pay interest on such Medical Benefit Drug Rebates from the date of receipt until UMR makes payment to Customer, less approximately thirty (30) days for processing. UMR will retain interest earned during this processing timeframe. Interest will be paid at the one month London Interbank Offered Rate (LIBOR) in effect on the first business day of each applicable month.

Customer will only receive Customer's Medical Benefit Drug Rebates to the extent that Medical Benefit Drug Rebates are actually received by UMR. Thus, for example, if a government action or a major change in pharmaceutical industry practices prevents UMR from receiving Medical Benefit Drug Rebates, the amount Customer receives may be reduced or eliminated.

Customer agrees that during the term of this Agreement, neither Customer nor the Plan will negotiate or arrange or contract in any way for Medical Benefit Drug Rebates on or the purchase of prescription drug products from any manufacturer under the Plan's medical benefit. If Customer or the Plan does, UMR may, without limiting UMR's right to other remedies, immediately terminate Customer's and Plan's entitlement to Medical Benefit Drug Rebates (including forfeiture of any Medical Benefit Drug Rebates earned but not paid). In addition, Customer agrees to reasonably cooperate with UMR in order to obtain Medical Benefit Drug Rebates.

**Subcontractor Compensation.** If a subcontractor is involved in negotiating with drug manufacturers regarding the payment of Medical Benefit Drug Rebates, it may retain a portion of the gross amounts received from drug manufacturers in connection with such products. UMR will provide information on the amount, if any, retained by the subcontractor as compensation for its services, in advance of Customer's execution of this Agreement. In addition, UMR will provide Customer with thirty (30) days advance notice of any material increase in or method for subcontractor compensation. If at any time Customer does not find the subcontractor compensation acceptable, Customer may terminate the Medical Benefit Drug Rebates services after thirty (30) days advance written notice to UMR.

## Schedule of Services

### A. Claims Administration Services

| Service | Comments |
|---|---|
| Claims for Plan benefits must be submitted in a form that is satisfactory to UMR in order for UMR to determine whether a benefit is payable under the Plan's provisions. Customer delegates to UMR the discretion and authority to use UMR's claim procedures and standards for Plan benefit claim determination. | |
| **Implementation of Customer's benefit plans and payment of claims.** | UMR will process only those claims which are incurred on or after the Effective Date of this Agreement. |
| **Standard claims processing including:**<br>• Re-pricing and payment of claims.<br>• Auto and manual adjudication using proprietary software.<br>• Provide an Explanation of Benefits (EOB) notice to Participants and Remittance Advice (RA) statement to providers as required<br>• Prepare and mail 1099's to providers and other vendors, using UMR's name and tax identification number. | In the event that Customer asks UMR to load data from the prior TPA regarding Participant's benefit accumulators, UMR will have no obligation to verify the accuracy of such data. |
| **Standard coordination of benefits** for all claims | UMR pays claims for Medicare-eligible persons as either primary or secondary, based on the Medicare Secondary Payor Rules. |
| **Claims Run-Out Services.** UMR will process all claims received up to the date of termination of this Agreement. Any unprocessed claims incurred prior to the date of termination will be processed by UMR for a 12 month period following termination. In the event that UMR receives claims after the run-out period expires, then UMR will deny the claim. | If the Agreement terminates because Customer fails to pay UMR fees due, fails to provide the funding for the payment of benefits, or UMR terminates for any other material breach, run-out will not apply.<br><br>**Suspension of Run-out Processing**<br>If Customer does not pay the run-out fees it owes UMR when due as set forth above, UMR will notify Customer. If Customer does not make the required payment UMR may stop issuing checks and non-draft payments and suspend its run-out claims processing under this Agreement, such suspension to apply to all claims regardless of dates of service and shall remain in effect until such date when Customer makes the required payment.<br><br>**Termination of Run-out Processing**<br>Run-out claims processing will terminate if Customer fails to provide the required funds for payment of benefits under the terms of this Agreement. Such termination shall apply to all claims regardless of dates of service. |

| Service | Comments |
|---|---|
| **Foreign service procedures** | Participants who receive services in a country other than the United States must pay the claim and then submit the claim to UMR for reimbursement. UMR will reimburse the Participant for any covered amount in U.S. currency. The reimbursed amount will be based on the U.S. equivalency rate that is in effect on the date the Participant paid the claim, or on the date of service if paid date is not known. |
| **State Surcharges.** If during the term of the Agreement UMR receives a surcharge invoice from a state for the Plan or claims paid under the Plan, UMR agrees to submit applicable payments to the state on behalf of Customer. The amount due to the state will be withdrawn from Customer's claims bank account. | This service does not apply to New York Surcharges. |
| **New York Surcharge Services**: Upon acceptance from the New York Public Goods Pool, UMR agrees to compile and forward to the State of New York, an electronic report that shows the liability that Customer has for covered lives, patient services and total amount due from Customer. The report is compiled on a monthly or annual basis in accordance with the requirements of the State of New York for Customer. UMR agrees to file the report and send the applicable payments to the State of New York via a draw from Customer's bank account. | It is understood that Customer is solely responsible for completing necessary New York Surcharge election forms and responding to inquiries regarding the election.<br><br>In the event that a claim is adjusted after the New York Surcharge fee has been paid and the adjustment affects how much the provider actually receives, UMR will make an adjustment on a future report to the State. |

## B. Member Services

| Service | Comments |
|---|---|
| **Toll-free access to a customer care unit** | |
| **Employee access to a member website** enabling Participants to:<br>• Check claim status.<br>• Check eligibility information.<br>• Search for providers and online health information. | |
| **Identification Cards.**<br>UMR will provide standard ID cards (including replacement cards) for each employee who is covered under Customer's Plan. | Customer may, at its option, order customized ID cards at an additional cost. |

## C. Customer Reporting Services

| Service | Comments |
|---|---|
| UMR will provide Customer with the following standard reports through encrypted online access. | |
| **Banking.** Online access to the check register, searchable for disbursement information at the transaction level. | |
| **Monthly Online Reports (Plan Performance).** Online access to monthly reports containing Plan performance details. Customer can also use online data to develop ad-hoc queries such as census information, claim activity and large claim detail. | |
| **Eligibility and Benefits Inquiry.** Online eligibility inquiry provides Customer with access to Participant eligibility information. Online benefit inquiry provides specific benefit information for each Participant. | |
| **Claims Inquiry.** Customers can review the status of participant claims online. Customer is responsible for ensuring that its employees comply with HIPAA privacy regulations. | |
| **Annual Report.** Provides the information that Customer can use to complete the 5500 form or 990 form. | |
| **Customization, non-standard or ad hoc reports** | Fees are determined on a report-specific basis |
| UMR reserves the right, from time to time, to change the content, format and/or type of UMR's reports. | |

## D. Other Services

| Service | Comments |
|---|---|
| **Summary Plan Description (SPD) Assistance.** UMR will prepare a customized draft of an SPD for the Plan, one additional draft, in response to Customer's comments and a final draft SPD. | If the SPD is not finalized sufficiently in advance of the Effective Date of UMR's services, UMR will utilize benefits and exclusions that UMR has created based on its understanding of Customer's Plan design and which Customer has reviewed and approved UMR will administer claims and otherwise provide UMR's services in accordance with information and it will govern and remain in full force and effect until a final SPD is provided to UMR. |
| **SPD Exception Processing.** In the event Customer wants UMR to make an exception to Customer's Summary Plan Description (SPD), Customer must notify UMR in writing of such exception using a form designated by UMR. Customer is fully and solely responsible for any compliance or stop loss issues that may occur as a result of making an exception to its SPD. | UMR shall not be liable to any degree when following directions from Customer, its employees or agents, and Customer agrees to indemnify UMR and hold it harmless from and against any and all claims arising from Customer's decision to make an exception to the SPD. |
| **Summary of Benefits and Coverage (SBC) Services.** Upon receipt of a completed service election form from Customer, UMR agrees to provide the following (SBC) services:<br>• Draft one standard full SBC per benefit Plan design if UMR is the only vendor administering benefits for Customer; or<br>• Draft one standard partial SBC per benefit Plan design if UMR administers the medical Plan but Customer utilizes external vendors for other benefits.<br>• Provide one SBC update per year if needed.<br>• Post the final approved SBC to UMR's web portal for Customer. | Customer is responsible for providing UMR with written details about the Plan and benefit changes in an agreed upon period of time prior to the date Customer needs the final SBC from UMR.<br><br>Customer is responsible for completing sections of the SBC related to Customer and external vendors, if any, and returning applicable details to UMR within an agreed upon timeframe.<br><br>Customer is responsible for complying with SBC regulations, including but not limited to distribution of SBC's to Participants. In the event that Customer requests UMR to provide other non-standard SBC services, UMR will charge a reasonable fee for agreed upon services. |
| **Stop Loss Reporting**. UMR will use commercially reasonable efforts to identify, track and file paid specific stop loss insurance claims with the stop loss carrier, on behalf of Customer.<br><br>If Customer has aggregate stop loss coverage, UMR agrees to notify the stop loss carrier of any potential Claims that exceed the stop loss policy's attachment point. | Customer is responsible for providing UMR with a copy of the stop loss policy by the effective date of this Agreement or as soon thereafter as reasonably possible, if UMR did not place Customer's stop loss coverage with the carrier.<br><br>No priority will be given to process claims because the stop loss year is coming to a close. In no event shall UMR have any liability for coverage decisions taken or any omissions by any stop loss insurance carrier, and UMR shall not be held liable for any claims not covered by the stop loss carrier even if such claims were paid by the Plan. It is understood that UMR cannot represent or warrant a carrier's stop loss coverage or any terms of a carrier's stop loss coverage.<br><br>Customer and its third party stop loss carrier may be required to execute UMR's standard nondisclosure and indemnification agreement prior to UMR providing any stop loss information |
| **Transition to new Third Party Administrator (TPA).** UMR will cooperate with Customers' transition to a new TPA upon termination of this Agreement and will provide cancellation reports to Customer upon request. | |
| **Medicare Secondary Payer Reporting.** UMR shall provide to applicable parties the applicable reports in a time and manner as required according to the Medicare Secondary Payer Mandatory Reporting Provisions (the Reporting Requirements) in Section 111 of the Medicare, Medicaid, and SCHIP Extension Act of 2007. UMR shall not be responsible for any noncompliance penalties in connection with the Reporting Requirements that are related to | Customer agrees to provide to UMR in a timely manner and in an agreed upon format any and all data that UMR requires to comply with the Reporting Requirements. |

| Service | Comments |
|---|---|
| Customer's failure to provide the required data. | |
| **Teladoc Services:** UMR contracts with an outside vendor to provide Teladoc services for Participants on behalf of the Plan. The vendor contracts with licensed physicians to provide the service.<br><br>For General Medicine, Participants will be provided with toll-free access to telephone or web-based video access to medical consultation and health information services from a licensed physician 24 hours a day, seven days a week, or, upon request and if allowed by state law. | Customer is responsible for notifying Participants that if they choose to utilize Teladoc Services, they must complete a comprehensive medical history disclosure form either online, by paper, or by telephone, pay the applicable fee to Teladoc, and cooperate with any other reasonable requirements that Teladoc may require before services can be provided by a physician.<br><br>Customer understands that Teladoc is an independent contractor and is not affiliated with UMR in any way. Customer agrees and understands that UMR does not provide medical advice or warrant the advice provided by Teladoc. In no event shall UMR be found responsible or liable in any way or to any extent for any losses, claims or damages, including but not limited to consequential, special, punitive, incidental, or direct or indirect damages resulting from the services provided by Teladoc and its employees, subcontractors and agents. |
| **Transplant Solutions (TS) Services**<br>• Transplant Network via Centers of Excellence (COE)<br>• Ventricular Assist Devices (VAD)<br>• Transplant Access Program (TAP) Network | The fees for Transplant Solutions (TS) Services are specified in Exhibit B - Fees. |
| • Extra-Contractual Services - contracting on a case-by case basis for transplant care outside of the COE or TAP Networks for a standard negotiating fee.<br>• Cellular Therapy Services<br>• Specialized Physician Review | |

## E. MANAGED PHARMACY SERVICES

| Service | Comments |
|---|---|
| UMR through its Pharmacy Benefit Manager (PBM) affiliate will provide the Pharmacy Benefit Services described in this Section. | |
| **Average Wholesale Price (AWP):** The average wholesale price, as reflected on the Medi-Span Prescription Pricing Guide (with supplements) ("Medi-Span"), of a Prescription Drug based on the eleven (11) digit NDC of the Drug on the date dispensed. UMR will rely on Medi-Span as updated by UMR no less frequently than every seven days to determine AWP for purposes of establishing the pricing provided to Customer under this agreement. UMR will not establish AWP, and UMR will have no liability to Customer arising from use of Medi-Span. | |
| **Brand Drug:** A single-source or multi-source prescription drug product which is manufactured and marketed under a trademark or name by a specific drug manufacturer and that the Medi-Span Prescription Pricing Guide (with supplements) or other available data resources that identify as a Brand product. | |
| **Dispensing Fee:** The contracted rate of compensation paid to a Network Pharmacy for the processing and filling of a prescription claim. | |
| **Prescription Drug List (PDL):** The list of Prescription Drugs covered by the applicable Plan as developed by UMR and approved and adopted by Customer for use with the Plan. The PDL will be made available to physicians, pharmacies and other healthcare providers or entities to guide the prescribing, dispensing, sale and coverage of prescription services. | |
| **Generic Drug:** A prescription drug product that is chemically equivalent to a Brand drug and that Medi-Span Prescription Pricing Guide (with supplements) or other available data resource that identify as a Generic product. | |
| **MAC:** The maximum allowable cost of a Prescription Drug as specified on a list established by UMR. UMR may have multiple MAC lists, each of which is subject to UMR's periodic review and modification. | |
| **Mail Order Pharmacy:** A facility that is duly licensed to operate as a pharmacy at its location and to dispense Prescription Drugs via postal or commercial courier delivery to individuals, including Participants. Mail Order Pharmacy includes pharmacies that are affiliates of UMR. | |
| **Network Pharmacy:** A retail pharmacy, Mail Order Pharmacy, Specialty Pharmacy or other facility that is duly licensed to operate as a pharmacy at its location and to dispense Prescription Drugs to Participants, and has entered into a Network | |

| Service | Comments |
|---|---|
| Pharmacy agreement. An affiliate of UMR, in its capacity as a Mail Order Pharmacy or Specialty Pharmacy is a Network Pharmacy of the Customer.<br><br>**Prescription Drug**: A medication or product, including a Brand Drug or Generic Drug, that has been approved by the U.S. Food and Drug Administration and that can, under federal or state law, be dispensed only pursuant to a prescription order or refill. A Prescription Drug includes a medication that, due to its characteristics, is appropriate for self-administration or administration by a non-skilled caregiver.<br><br>**Rebate**: Any discount, price concession or other direct or indirect remuneration UMR receives from a drug manufacturer under a rebate agreement that is contingent upon and related directly to Participant use of a prescription drug under the Plan's pharmacy benefit or the medical benefit during the Term. Rebate does not include any, discount, price concession, administration fees or other direct or indirect remuneration UMR receives from a drug manufacturer for direct purchase of a prescription drug.<br><br>**Single-Source Generic:** A Generic Drug that has only one generic manufacturer.<br><br>**Specialty Drugs:** Prescription Drugs available at UMR's Specialty Pharmacy, including: (a) biotechnology drugs; (b) orphan drugs used to treat rare diseases; (c) typically high-cost drugs; (d) drugs administered by oral or injectable routes, including infusions in any outpatient setting; (e) drugs requiring on-going frequent patient management or monitoring; and (f) drugs that require specialized coordination, handling and distribution services for appropriate medication administration<br><br>**Specialty Pharmacy:** A facility that is duly licensed to operate as a pharmacy to dispense Specialty Drugs. Specialty Pharmacy includes pharmacies that are affiliates of UMR. | |
| **Pharmacy Network**. UMR/PBM will make Network Pharmacies available to Customer Participants.<br>• PBM will determine which pharmacies are Network Pharmacies. Network Pharmacies can change at any time.<br>• PBM and UMR will make a reasonable effort to provide Customer with advance notice if any material changes occur to the network. | |
| **Claims**. PBM shall accept and process claims submitted by Participants when such Participant submits claims properly completed on a PBM standard paper claim form, together with proper proof of payment.<br><br>PBM uses criteria for its Quantity Limit Program that is developed by its National Pharmacy and Therapeutics' Committee. PBM will receive and review requests from the Customer and/or Participants for exceptions based on this criteria. Customer will at all times retain the right to override the PBM recommendation, at which time the override will be entered into the system by PBM to allow coverage for the product and quantity requested.<br><br>PBM will provide claims appeal services for Participants who request a review of an Adverse Benefit Determination on pharmacy claims, as mutually agreed to by the parties.<br><br>PBM uses commercially reasonable efforts to not reimburse Participants for prescription drugs purchased outside of the United States, with the exception of prescription drugs purchased for emergency purposes. An exception may also be made for Participants who are covered by a United States health Plan, but who are living abroad. | Both parties understand that if pharmacy claims are paid for a Participant prior to being notified by the Customer that the Participant has been terminated, UMR and PBM will be under no obligation to recover payments made prior to said notification.<br><br>In connection with prescription drug claims, there may be a timing difference between when UMR withdraws funds from Customer claims account and when PBM issues payments to pharmacies and other payees. UMR and/or PBM may retain interest earned on these amounts during this time. Interest is expected to be paid at overnight deposit rates by UMR's banking institution.<br><br>PBM maintains systems for processing pharmacy claims and may receive access fees as compensation for services PBM provides to Network Pharmacies. |
| **Pharmacy Audits.** During the term of the Agreement, and at any time within six (6) months following its termination, a mutually agreeable entity ("Auditor") may conduct an annual pharmacy claims audit of UMR's performance under the Agreement once each calendar year. Prior to the commencement of this audit, UMR must receive a signed, a mutually agreeable confidentiality agreement. | |

| Service | Comments |
| --- | --- |
| Customer must advise UMR in writing of its intent to audit. The place, time, type, duration, and frequency of all audits must be reasonable and agreed to by UMR. No audits may be initiated or conducted during the months of December and January due to the demands of annual renewals and the implementation period. All audits will be limited to information relating to the calendar year in which the audit is conducted, and/or the immediately preceding calendar year. The audit scope and methodology will be consistent with generally acceptable auditing standards, including a statistically valid random sample as approved by UMR. UMR will not support any external audits a) where the audit firm is paid on a contingency basis, or b) that do not use a statistically valid random selection methodology; this includes electronic/data mining audits that are used for purposes of recovery discovery.<br><br>Customer will pay any expenses that it or its Auditor incurs in connection with the audit. In addition to Customer's expenses and any applicable fees, Customer will also pay any extraordinary expenses UMR incurs due to a customer request related to the audit, such fees to be reviewed and approved by the Customer in advance. For any audit initiated after this Agreement is terminated or for any audit in addition to those provided for in this Section (if approved by UMR), Customer will pay all expenses incurred by UMR.<br><br>UMR will provide Auditor with access to prescription claims data, subject to the provisions of the confidentiality agreement. Additional documentation (e.g. policies and procedures) requested during the course of an audit, other than that needed to determine the accuracy of pharmacy claims payments, may be provided at UMR's reasonable discretion. After reviewing the claims for the audit period, Auditor may provide a sample size of claims, not to exceed 300 prescription claims per audit, for UMR to perform additional research.<br><br>A final audit report shall be provided by Customer or Auditor in writing to UMR forty-five (45) days after the end of the audit. Such final audit report will contain a representative sample of prescription claims or the entire suspected error population, as well as the dollar amount associated with any suspected errors. If the entire suspected error population is provided, then UMR will review a statistically valid sample of the prescription claims and provide Customer or Auditor with its response within forty-five (45) days of UMR's receipt of the final audit report. Customer or its Auditor shall have thirty (30) calendar days to reply to UMR's response. If Customer or its Auditor fail to provide either the initial final audit report or fail to reply to UMR's audit response within the timeframes provided, then the audit will be considered closed. Any payment made, whether by UMR or Customer, based upon audit findings will be made within thirty (30) days following Customer and UMR agreeing to the audit results and payment of any amounts due as reflected in an executed audit settlement agreement.<br><br>Without limiting the foregoing, with respect to audits regarding the payment of Rebates by pharmaceutical manufacturers, the audit must be conducted solely by a "big | |

| Service | Comments |
| --- | --- |
| four" public accounting firm that maintains a separate and stand-alone audit department and is not providing support in conjunction with any litigation pending against UMR or UMR's affiliates. However, if no "big four" public accounting firm is qualified to perform the audit due to the above requirements, another mutually agreeable firm meeting such requirements may be used. Rebate audits are to be conducted separate from claims audits, must be conducted on site at UMR, and are limited to five (5) Rebate agreements. | |
| **Allocation and Payment of Rebates.** UMR and/or PBM will negotiate with drug manufacturers for the payment of Rebates to UMR and/or PBM. The amount of Rebates that is available depends on a number of factors. UMR agrees to share rebates with the Customer to the extent stated on the Fee Schedule. In the event, however, that Customer terminates pharmacy services mid-Term, UMR and/or PBM will retain any portion of unpaid rebates.<br>Customer agrees that all payments associated with Rebates and any related interest are not due and owing to Customer until UMR and/or PBM actually pays them to Customer pursuant to this Agreement | Customer will only receive Rebates to the extent that Rebates are actually received by UMR and/or PBM. In the event a government action or a major change in pharmaceutical industry practices eliminates or materially reduces manufacturer Rebate programs, Customer's payment amount may be reduced or eliminated. In such event, UMR shall promptly notify Customer and revise or eliminate such payment effective with the date of the reduction or elimination in Rebate payments. |

# EXHIBIT B – SERVICE FEES

This exhibit lists the fees Customer must pay UMR for UMR's services during the term of the Agreement. Unless otherwise noted, these fees apply for the period from October 1, 2019 through September 30, 2020. Customer acknowledges that the amounts paid for administrative services are reasonable.

***All fees shown as per employee per month (PEPM) unless otherwise noted***

| **Administration and access fees** | **Fees 10/1/2019** | **Fees 10/1/2020** | **Fees 10/1/2021** |
|---|---|---|---|
| Medical claims - excludes run-in | $42.79 | $42.79 | $42.79 |
| UnitedHealthcare Choice Plus ® network - access fee | Included | Included | Included |
| Required stop loss interface fee | Included | Included | Included |
| Utilization Management (UM) | Included | Included | Included |
| Case management (CM) | Included | Included | Included |
| Medical and pharmacy integration - per participating employee per month | Included | Included | Included |
| Telemedicine (Teladoc)* | Included | Included | Included |
| Cost reduction and savings program - large bill review/fee negotiation and secondary/travel network - % of savings | 30% | 30% | 30% |
| **Subtotal (excl Rx Fee Credit)** | **$42.79** | **$42.79** | **$42.79** |
| Medical client advisor commission | Net | Net | Net |
| **Subtotal 2 (excl Rx Fee Credit)** | **$42.79** | **$42.79** | **$42.79** |
| Select Comprehensive pharmacy credit | ($27.00) | ($27.00) | ($27.00) |

| **Service Code** | **ITEM** | **FEE and BASIS** |
|---|---|---|
| | **Medical Fees** | |
| 0001 | Base Medical Fee | Refer to table above |
| | **ID Card Services** | |
| 0200 | Mail ID Cards to Employee's Home | Included in Base Fee |
| | **Banking Services** | |
| 0307 | Custodial Banking Maintenance Charges<br>10/1/2019 – 9/30/2020<br>10/1/2020 – 9/30/2022 | <br>$125 Per Month<br>$250 Per Month |
| | **Reporting/Special Data Services** | |
| 0417 | Custom Ad-Hoc Reports – Request System | $100/hr. after 2 Hours Per Year |
| 0418 | Certificates of Creditable/Non-creditable Coverage (Medicare Part D) (If Requested) | $1.35 Per Certificate, subject to a $100 minimum |
| 1203 | New York Surcharge – Filing and Administration | Included in Base Fee |
| | **Network/Managed Care** | |
| 1406 | Network Access Fees<br>• UnitedHealthcare Choice Plus | <br>Refer to table above |
| 9938 | Cost Reduction & Savings Program (CRS) (Cost reduction services aimed at generating savings on claims when the primary network is not utilized.) | Refer to table above |
| | **Transplant Solution (TS) Services** | |
| 1400 | **Transplant Network via Centers of Excellence (COE)**<br>Customer shall pay UMR administrative fee based upon the Transplant type as follows: | |

| Service Code | ITEM | FEE and BASIS |
|---|---|---|
| | **Bone Marrow/Stem Cell** | |
| | Autologous less than 11 days | $5,000 Per Transplant |
| | Autologous 11 or more Days – breast Cancer | $10,000 Per Transplant |
| | Autologous 11 or more Days – all other diagnosis | $20,000 Per Transplant |
| | Allogeneic – related/unrelated | $20,000 Per Transplant |
| | Non-myeloablative BMT - mini | $5,000 Per Transplant |
| | **Tandem BMT** | |
| | Auto/Auto | $10,000 Per Transplant |
| | Auto/Allo Related Mini | $20,000 Per Transplant |
| | Auto/Allo Unrelated Mini | $20,000 Per Transplant |
| | Heart, Single Lung, Heart/Lung | $10,000 Per Transplant |
| | Double Lung, Multi-Organ | $20,000 Per Transplant |
| | Intestinal, Liver, Intestinal/Liver, Intestinal/Small Bowel | $20,000 Per Transplant |
| | Kidney | $3,500 Per Transplant |
| | Pancreas, Kidney/Pancreas, Islet Cell-Auto Pancreas | $7,500 Per Transplant |
| | **Ventricular Assist Devices (VAD)** | |
| | Ventricular Assist Devices (VAD) only – Bridge to Transplant (Excludes Heart Transplant) | 10% of savings, capped at $10,000 Per Case |
| | Ventricular Assist Devices (VAD) only – Destination Therapy (VAD Implant + Post-Implant Services for 1 year) | 10% of savings, capped at $10,000 Per Case |
| | Ventricular Assist Devices (VAD) only – Destination Therapy (Post-Implant Services only) | 10% of savings, capped at $10,000 Per Year |
| | If an additional transplant is performed to replace the initial transplant, an additional fee equal to 50% of the original fee shall be charged.<br><br>If a Participant receives transplant care, but no transplant is performed ("Early Term"), the administrative fee will be 35% of the difference between charges per the applicable Network and the Network Provider's usual charges for the same services, not to exceed the fee for the corresponding transplant set forth in the table above.<br><br>A transplant case referred to as Early Term includes (1) cases in which a Participant is not accepted into a Network Provider's transplant program, (2) cases in which the Participant dies prior to transplant or VAD implant, or (3) cases in which Participant's coverage ends prior to transplant or VAD implant. | |
| | **Transplant Access Program (TAP) Network** | The fees are 15% of savings, calculated as the difference between billed charges and amounts paid pursuant to the applicable Network. The fees will not exceed the administrative fee for the corresponding transplant set forth in the table above. |
| | **Extra-Contractual Services** | The fees are 15% of savings, calculated as the difference between charges per the applicable Network and the Network Provider's usual charges for the same services, not to exceed the fee for the corresponding transplant under the table above. |

| Service Code | ITEM | FEE and BASIS |
|---|---|---|
| | **Cellular Therapy Services** | Extra-Contractual services are required for Cellular Therapy cases. For Cellular Therapy cases, Customer shall pay UMR an administrative fee equal to 15% of savings, calculated as the difference between charges per the applicable extra-contractual agreement and the provider's usual charges for the same services, not to exceed $20,000 per Cellular Therapy Case as defined in the written agreement entered into between UMR and provider as applicable to the Participant.<br><br>Early Term pricing as set forth above, applies to cases in which the Participant receives care and no cellular therapy infusion occurs (i.e. Early Term Cellular Therapy cases). |
| | **Specialized Physician Review** | The fees are for solid organ transplants, bone marrow/stem cell transplants and other procedures and disease states. Customer shall pay UMR an administrative fee equal to $1,295 for a Comprehensive Review from a single reviewer, or $1,995 from three reviewers. For Basic Review, Customer shall pay UMR an administrative fee equal to $495 for a single review or $1,295 from three reviewers. For an Expedited Review, Customer shall pay UMR an additional fee of $200 for each physician reviewer. |
| | **Care Management and Outreach Services** | |
| 0701 | Stand-alone Case Management (Individual case management services will be provided to Participants who meet the criteria for case management including complex treatment plans, catastrophic events, trauma, chronic illness, behavioral health and substance use disorder. If Medicare is the primary payer for a claim, these services will be provided after Medicare funds have been exhausted.) | Refer to table above |

| Service Code | ITEM | FEE and BASIS |
|---|---|---|
| 0702 | Utilization Management (Examination of medical services for medical necessity and appropriateness of care prior to services being provided. Certification/ notification for hospital inpatient/outpatient services, durable medical equipment, home health care, behavioral health and other services in accordance with Customer's SPD. Also includes concurrent review, discharge planning, retrospective review, case management screening and independent medical reviews needed for these services when appropriate. If Medicare is the primary payer for a claim, these services will be provided after Medicare funds have been exhausted.) | Refer to table above |
| | **Claim Services** | |
| 0136 | Preferred Stop Loss Interface Fee | Refer to table above |
| | **Other Fees** | |
| 2130 | Federal External Reviews | $500 per review after five reviews |
| 0926 | Full/Partial Summary of Benefits and Coverage (SBC) creation with data UMR has on file for the Plan. Includes initial SBC plus one amendment per year; electronic version only provided to Customer. | Included in Base Fee |
| 0927 | Two or more Summary of Benefits and Coverage (SBC) amendments requested by Customer per year | $500 Per SBC Per Benefit Plan |
| 0928 | Inclusion of outside vendor data in Summary of Benefits and Coverage (SBC) document, in UMR's standard format. | $1,000 Per SBC Per Benefit Plan |
| 0929 | Print and Ship Summary of Benefits and Coverage (SBC) to Employee at open enrollment | Cost plus Postage |
| 0930 | Translation of Summary of Benefits and Coverage (SBC) into non-English text | Cost of Translation |
| 1014 | Support for Integrated Rx-Medical Accumulators | Refer to table above |
| 1501 | Assume Claims Fiduciary Responsibility | Included in Base Fee |
| 9933 | Teladoc Services (general medicine) | Refer to table above |
| | **Credits** | |
| 9872 | Implementation Credit | $40, 000 |
| | PEPM means Per Employee Per Month (covered employee) | |

The above fees do not include state or federal surcharges, assessments, or similar taxes imposed by governmental entities or agencies on the Plan or UMR, including but not limited to those imposed pursuant to The Patient Protection and Affordable Care Act of 2010, as amended from time to time as these are the responsibility of the Plan.

A stop loss interface fee surcharge applies if stop loss coverage is not placed with a UMR preferred market. Consult your UMR representative for a list of preferred markets.

**Implementation Credit**

UMR is providing an implementation credit to Customer as shown in the Fee table above. UMR will apply the implementation credit to Customer's administrative fee billing until the credit amount is exhausted, starting with the initial billing.

**Conditions**: The following conditions apply to the one-time implementation credit:

- Requires a three year agreement with UMR. Early termination is subject to the early termination penalty outlined in the Agreement.
- Assumes an enrolled employee count within 15% of the quoted employee count of 450.
- Assumes of an effective date of October 1, 2019.

**Early Termination Fees.** In exchange for this credit, Customer agrees to repay UMR the following amounts, not to exceed the actual amount credited, if Customer terminates this Agreement prior to the end of the initial three-year term for reasons other than UMR's material breach of the Agreement:

- If Customer terminates the Agreement during the initial year of the Agreement, Customer shall pay UMR $40,000.
- If Customer terminates the Agreement during the second year of the Agreement, Customer shall pay UMR $26,667.
- If Customer terminates the Agreement during the third year of the Agreement, Customer shall pay UMR $13,333.

Contract will be amended prior to October 1, 2019 to include OptumRx Pharmacy Services.

# EXHIBIT C – PERFORMANCE GUARANTEES FOR HEALTH BENEFITS

The Base Medical Service Fees payable by Customer under this Agreement will be adjusted through a credit to its fees in accordance with the performance guarantees set forth below unless otherwise defined in the guarantee. If the Agreement terminates prior to the Customer's recovery of such credit, UMR shall refund such amount to the Customer for each deviation from the performance guaranteed in this Exhibit (as defined below). Such service fee credit will be granted providing the conditions identified below are met. Unless otherwise specified, these guarantees apply to medical benefits and are effective for the period of the Agreement, unless otherwise amended. With respect to the aspects of UMR's performance addressed in this Exhibit, these fee adjustments are Customer's exclusive financial remedies.

The first year of the performance guarantees will run for a nine-month period, and will apply to all medical claims processed by UMR from January 1, 2020 through September 30, 2020. Thereafter, the performance guarantees shall be based on medical claims processed during the succeeding twelve-month Agreement year.

These guarantees will become effective upon the later of (1) the effective date of the Guarantee Period; or (2) the date this Agreement is signed by both parties. In the event these guarantees become effective later than the effective date of the Guarantee Period: (1) quarterly guarantees will become effective beginning with the next calendar quarter following signature of this Agreement by both parties and (2) annual guarantees will become effective commencing with the Term of the Agreement during which this Agreement is signed by both parties.

UMR shall not be required to meet any of the guarantees provided for in this Agreement or amendments thereto to the extent UMR's failure is due to Customer's actions or inactions or if UMR fails to meet these standards due to fire, embargo, strike, war, accident, act of God, acts of terrorism or UMR's required compliance with any law, regulation, or governmental agency mandate or anything beyond UMR's reasonable control.
Prior to the end of the Guarantee Period, and on the condition that this Agreement remains in force, UMR may specify to Customer in writing new performance guarantees for the subsequent Guarantee Period. If UMR specifies new performance guarantees, UMR will also provide Customer with a new Exhibit that will replace this Exhibit for that subsequent Guarantee Period.

Claim is defined as an initial and complete written request for payment of a Plan benefit made by an enrollee, physician, or other healthcare provider on an accepted format. Unless stated otherwise, the claims are limited to medical claims processed through the claims systems. Claims processed and products administered through any other system, including claims for other products such as vision, dental, flexible spending accounts, health reimbursement accounts, health savings accounts, or pharmacy coverage, are not included in the calculation of the performance measurements. Also, services provided under capitated arrangements are not processed as a typical claim; therefore capitated payments are not included in the performance measurements.

The parties agree to the minimum performance guarantees set forth below. Should plan enrollment decrease by more than fifteen percent (15%) these performance guarantees are terminated and null and void.

## I. Financial Accuracy

UMR agrees that Claim payments, on an aggregated dollar basis, shall be ninety -nine percent (99%) accurate to the plan of benefits. If however, the financial accuracy falls below the agreed upon level, UMR will give a credit as stated on the table below.

Financial Accuracy will be calculated by dividing the total audited dollars paid correctly by the total audited dollars processed. This will be measured on department results.

| UMR's Performance | Penalty |
|---|---|
| 99% or higher | 0% |
| 98.5% to 98.9% | 1% |
| 98.0% to 98.4% | 2% |
| Less than 98.0% | 3% |

## II. Turnaround Time

UMR agrees that ninety percent (90%) of all clean Claims will be processed within 10 business days from the date that UMR receives all information necessary to adjudicate the Claim. In the event that UMR's turnaround time falls below the agreed upon level, UMR will give a credit as stated on the table below.

Claims will be considered "processed" when UMR has released the Claim for payment, denial or request for additional information. This will be measured on department results.

| UMR's Performance | Penalty |
|---|---|
| 90.0% or higher | 0% |
| 85.0% to 89.9% | 1% |
| 80.0% to 84.9% | 2% |
| Less than 80.0% | 3% |

## III. Customer Service

UMR guarantees the following levels of customer service will be maintained. These areas are all measured based on department results.

### 1. Average speed-to-answer telephone calls

UMR agrees that on average, calls will be answered in thirty (30) seconds or less. If calls are answered in more than thirty (30) seconds, UMR will give a credit as stated on the table below.

| UMR's Performance | Penalty |
|---|---|
| 30 seconds or less average | 0% |
| 31 to 45 seconds average | 1% |
| 46 seconds or higher average | 2% |

### 2. Abandonment Rate

UMR agrees that on average, three percent (3%) or less of calls may be abandoned. If more than the agreed upon level of calls are abandoned, UMR will give a credit as stated on the table below.

| UMR's Performance | Penalty |
|---|---|
| 3.0% or less average | 0% |
| 3.1% to 4.0% average | 1% |
| More than 4.0% average | 2% |

**Aggregate Penalty:** The aggregate maximum penalty will not exceed 3% of the annual base medical administration fee and the network access fees.

**Performance Guarantee Conditions:**

- Performance Guarantees begin 90 days after plan effective date.
- Performance Guarantees are for medical claims administration.
- Performance Guarantees are measured annually.
- Performance Penalties will be credited on the invoice following the annual measurement.
- Performance Guarantees are not in effect until a signed administrative service contract is received.

**Account Management**

UMR agrees the account management scorecard will be an average of 3 or higher. Every quarter we will send the scorecard to you via email. You will have three weeks to respond. If we don't hear back from you, the rating defaults to an automatic average of 4 (4=always meets expectations). If however, the score falls below the agreed upon level, UMR will give a credit as stated on the table below.

The guarantee is calculated by the average of all eight measurable needs on the attached account management service scorecard:

| UMR's Performance | Penalty |
|---|---|
| Average score of 3 or higher | 0% of medical administration and network access fee |
| Average score of 2.5 through 2.99 | 1% of medical administration and network access fee |
| Average score of 2.0 through 2.49 | 2% of medical administration and network access fee |
| Average score below 2 | 3% of medical administration and network access fee |

**Aggregate Penalty:** The aggregate maximum penalty will not exceed 3% of the annual base medical administration fee and the network access fees.

**Guarantee Conditions:**

- Performance Guarantees are measured annually.
- Performance Penalties will be credited on the invoice following the annual measurement.
- Performance Guarantees are not in effect until a signed administrative service contract is received.

## *In-Network Discount Guarantee Exhibit*

## *City of Grand Island*

## *10/01/2019 through 09/30/2020*

| | | | |
|---|---|---|---|
| Approximate % of ASO Fee at Risk | 10.0% | Annual Fees at Risk | $ 13,500 |
| ASO Fees at Risk (Per Employee Per Month) | $2.50 | Fees at Risk per % | $ 2,700 |
| Target In-Network Discount | 27.9% | Number of Employees | 450 |

| | In-Network Discount | | | Amount at Risk PEPM* | Amount at Risk* |
|---|---|---|---|---|---|
| | Less than or equal to | | 18.8% | $2.50 | $13,500 |
| | 18.9% | up to | 19.8% | $2.00 | $10,800 |
| | 19.9% | up to | 20.8% | $1.50 | $8,100 |
| | 20.9% | up to | 21.8% | $1.00 | $5,400 |
| | 21.9% | up to | 22.8% | $0.50 | $2,700 |
| **Risk Free Corridor >>>** | **22.9%** | **up to** | **32.8%** | **$0.00** | **$0** |

**Assumptions:**

Target In-Network Discount Percentage 27.9%

The discount guarantee will be based on claims incurred from October, 2019 through September, 2020 and paid through December, 2020.

The target discount percentage is based on the current distribution percentage of in-network employees by market and assumes total replacement with UHC Choice Plus

UMR reserves the right to revise (or revoke) the discount guarantee should there be a significant change in this employee distribution (+/-10% change in enrollment overall or in any of the large markets identified in the employee distribution worksheet), or if the initial enrollment with UMR is less than 410 employees.

The in-network discount percentage will be calculated by dividing total in-network discount dollars by total in-network eligible charges

[1] Total in-network discount dollars include participating provider contracted discounts only and does not include any savings from medical management, care avoided savings, duplicate charges or any other ineligible savings.

[2] Total in-network eligible charges will be participating provider eligible charges minus commercial and Medicare COB claims for participating providers.

[3] UMR reserves the right to exclude all claims for claimants with covered charges $100,000 or greater during the guarantee period.

* If the in-network discount percentage is below the risk free corridor, at the end of the guarantee period, the amount at risk will be paid by UMR to City of Grand Island, per the above schedule.

## *City of Grand Island*

## *Market Site Employee Distribution*

| Market Site | Market Name | Employees | Percentage of Total Employees |
|---|---|---|---|
| 515 | Nebraska/Western Iowa | 450 | 100.00% |
| **Total Employees** | | **450** | 100.00% |

# EXHIBIT D – BUSINESS ASSOCIATE AGREEMENT

This Business Associate Agreement ("BAA") is incorporated into and made part of the Administrative Services Agreement ("Agreement") between UMR, Inc. on behalf of itself and its affiliates ("Business Associate") and City of Grand Island ("Covered Entity") and is effective on October 1, 2019 (Effective Date).

The parties hereby agree as follows:

## 1. DEFINITIONS

1.1 Unless otherwise specified in this BAA, all capitalized terms used in this BAA not otherwise defined have the meanings established for purposes of the Health Insurance Portability and Accountability Act of 1996 and its implementing regulations as amended from time to time (collectively, "HIPAA").

1.2 "Privacy Rule" means the federal privacy regulations, as amended from time to time, issued pursuant to HIPAA and codified at 45 C.F.R. Parts 160 and 164 (Subparts A & E).

1.3 "Security Rule" means the federal security regulations, as amended from time to time, issued pursuant to HIPAA and codified at 45 C.F.R. Parts 160 and 164 (Subparts A & C).

1.4 "Services" means, to the extent and only to the extent they involve the receipt, creation, maintenance, transmission, use or disclosure of PHI, the services provided by Business Associate to Covered Entity as set forth in the Agreement, including those set forth in this BAA in Section 4, as amended by written agreement of the parties from time to time.

## 2. RESPONSIBILITIES OF BUSINESS ASSOCIATE

With regard to its use and/or disclosure of Protected Health Information (PHI), Business Associate agrees to:

2.1 not use and/or disclose PHI except as necessary to provide the Services, as permitted or required by this BAA and/or the Agreement, and in compliance with each applicable requirement of 45 C.F.R. 164.504(e), or as otherwise Required by Law; except that, to the extent Business Associate is to carry out Covered Entity's obligations under the Privacy Rule, Business Associate will comply with the requirements of the Privacy Rule that apply to Covered Entity in the performance of those obligations.

2.2 implement and use appropriate administrative, physical and technical safeguards and comply with applicable Security Rule requirements with respect to Electronic Protected Health Information, to prevent use or disclosure of PHI other than as provided for by this BAA and/or the Agreement.

2.3 without unreasonable delay, report to Covered Entity (i) any use or disclosure of PHI not provided for by this BAA and/or the Agreement, of which it becomes aware in accordance with 45 C.F.R. 164.504(e)(2)(ii)(C); and/or (ii) any Security Incident of which Business Associate becomes aware in accordance with 45 C.F.R. 164.314(a)(2)(i)(C).

2.4 with respect to any use or disclosure of Unsecured PHI not permitted by the Privacy Rule that is caused solely by Business Associate's failure to comply with one or more of its obligations under this BAA, Covered Entity hereby delegates to Business Associate the responsibility for determining when any such incident is a Breach. In the event of a Breach, Business Associate shall (i) provide Covered Entity with written notification, and (ii) provide all legally required notifications to Individuals, HHS and/or the media, on behalf of Covered Entity, in accordance with 45 C.F.R. 164 (Subpart D). Business Associate shall pay for the reasonable and actual costs associated with those notifications.

2.5 in accordance with 45 C.F.R. 164.502(e)(1)(ii) and 45 C.F.R. 164.308(b)(2), ensure that any subcontractors of Business Associate that create, receive, maintain or transmit PHI on behalf of Business Associate agree, in writing, to the same restrictions and conditions on the use and/or disclosure of PHI that apply to Business Associate with respect to that PHI.

2.6 make available its internal practices, books and records relating to the use and disclosure of PHI to the Secretary for purposes of determining Covered Entity's compliance with the Privacy Rule.

2.7 after receiving a written request from Covered Entity or an Individual, make available an accounting of disclosures of PHI about the Individual, in accordance with 45 C.F.R. 164.528.

2.8 after receiving a written request from Covered Entity or an Individual, provide access to PHI in a Designated Record Set about an Individual, in accordance with the requirements of 45 C.F.R. 164.524.

2.9 after receiving a written request from Covered Entity or an Individual, make PHI in a Designated Record Set about an Individual available for amendment and incorporate any amendments to the PHI, all in accordance with 45 C.F.R. 164.526.

## 3. RESPONSIBILITIES OF COVERED ENTITY

In addition to any other obligations set forth in the Agreement, including in this BAA, Covered Entity:

3.1 shall provide to Business Associate only the minimum PHI necessary to accomplish the Services.

3.2 shall notify Business Associate of any limitations in the notice of privacy practices of Covered Entity under 45 C.F.R. 164.520, to the extent that such limitation may affect Business Associate's use or disclosure of PHI.

3.3 shall notify Business Associate of any changes in, or revocation of, the permission by an Individual to use or disclose his or her PHI, to the extent that such changes may affect Business Associate's use or disclosure of PHI.

3.4 shall notify Business Associate of any restriction on the use or disclosure of PHI that Covered Entity has agreed to or is required to abide by under 45 C.F.R. 164.522, to the extent that such restriction may affect Business Associate's use or disclosure of PHI.

3.5 In the event Covered Entity takes action as described in this Section, Business Associate shall decide which restrictions or limitations it will administer. In addition, if those limitations or revisions materially increase Business Associate's cost of providing Services under the Agreement, including this BAA, Covered Entity shall reimburse Business Associate for such increase in cost.

## 4. PERMITTED USES AND DISCLOSURES OF PHI

Unless otherwise limited in this BAA, in addition to any other uses and/or disclosures permitted or required by this BAA or the Agreement, Business Associate may:

4.1 make any and all uses and disclosures of PHI necessary to provide the Services to Covered Entity.

4.2 use and disclose PHI, if necessary, for proper management and administration of Business Associate or to carry out the legal responsibilities of Business Associate, on the condition that the disclosures are Required by Law or any third party to which Business Associate discloses PHI for those purposes provides written assurances in advance that (i) the information will be held confidentially and used or further disclosed only for the purpose for which it was disclosed to the third party or as Required by Law, and (ii) the third party promptly will notify Business Associate of any instances of which it becomes aware in which the confidentiality of the information has been breached.

4.3 de-identify PHI received or created by Business Associate under this BAA in accordance with the Privacy Rule.

4.4 provide Data Aggregation services relating to the Health Care Operations of the Covered Entity in accordance with the Privacy Rule.

4.5 use and disclose PHI and data as permitted in 45 C.F.R 164.512 in accordance with the Privacy Rule.

4.6 use PHI to create, use and disclose a Limited Data Set in accordance with the Privacy Rule.

## 5. TERMINATION

5.1 Termination. If Covered Entity knows of a pattern of activity or practice of the Business Associate that constitutes a material breach or violation of this BAA then the Covered Entity shall provide written notice of the breach or violation to the Business Associate that specifies the nature of the breach or violation. The Business Associate must cure the breach or end the violation on or before thirty (30)

days after receipt of the written notice. In the absence of a cure reasonably satisfactory to the Covered Entity within the specified timeframe, or in the event the breach is reasonably incapable of cure, then the Covered Entity may terminate the Agreement and/or this BAA.

5.2 Effect of Termination or Expiration. After the expiration or termination for any reason of the Agreement and/or this BAA, Business Associate shall return or destroy all PHI, if feasible to do so, including all PHI in possession of Business Associate's subcontractors. In the event that Business Associate determines that return or destruction of the PHI is not feasible, Business Associate may retain the PHI and shall extend any and all protections, limitations and restrictions contained in this BAA to Business Associate's use and/or disclosure of any PHI retained after the expiration or termination of the Agreement and/or this BAA, and shall limit any further uses or disclosures solely to the purposes that make return or destruction of the PHI infeasible.

5.3 Cooperation. Each party shall cooperate in good faith in all respects with the other party in connection with any request by a federal or state governmental authority for additional information and documents or any governmental investigation, complaint, action or other inquiry.

## 6. MISCELLANEOUS

6.1 Construction of Terms. The terms of this BAA to the extent they are unclear shall be construed to allow for compliance by Covered Entity and Business Associate with HIPAA.

6.2 Survival. Sections 5.2, 5.3, 6.1, 6.2, and 6.3 shall survive the expiration or termination for any reason of the Agreement and/or of this BAA.

6.3 No Third Party Beneficiaries. Nothing in this BAA shall confer upon any person other than the parties and their respective successors or assigns, any rights, remedies, obligations, or liabilities whatsoever.

# Sun Life Assurance Company of Canada

Stop-Loss Special Risk Questionnaire

Sun Life Financial®

Sun Life Assurance Company of Canada has responded to your request for a stop-loss insurance proposal. Before we make a final offer of coverage, we must be aware of any special risks. Please complete this form and return it to your Sun Life representative at least 30 days prior to the proposed stop-loss policy effective date.

**It is important that you complete this form in full and sign it. If not, it could delay your request.**

## 1 Definition of special risk

A person covered under your benefit plan. This includes employees, their dependents, retirees, former employees on COBRA, or any person being newly enrolled or re-enrolled in your plan after prior exhaustion of their benefits under it. They are considered a special risk if he or she is an employee who is not actively at work due to disability, or who has been absent from work more than 10 consecutive days within the past 12 months, or who is working reduced hours due to illness or injury.

## 2 Disclosure of special risk(s)

There are two ways to disclose an individual who is a special risk.

1. You may disclose an individual who is a special risk by providing a report listing any participant who has incurred or is expected to incur medical expenses (including drug expense) greater than 50% of the specific deductible or $50,000, whichever is less. Please indicate by checking "Yes" or "No" whether the report was provided and attach a copy of the report. Copies of the reports listed below are attached.

   ☒Yes ☐No

| Report Name | Report Date |
|---|---|
| Special Risk Report | 05-31-2019 |

2. You may also disclose an individual who is a special risk on the following chart. Please attach additional pages as needed. If there are no individuals to report, please write "None to Report" in the first row of the chart.

| Individual's name or member identification number | Category<br>E=Employee<br>D=Dependent<br>R=Retiree<br>C=COBRA<br>F=FMLA<br>O=Other continuee | Date of birth or age | Gender | Diagnosis/Medical condition | Date of Diagnosis or Disability, if known | Date expected to return to work, if applicable |
|---|---|---|---|---|---|---|
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |

## 3 Acknowledgment and signature

In accordance with our stop-loss policy, if you fail to disclose an individual who should be disclosed as a special risk, we have the right to revise premium rates, deductibles, deductible factors, and other terms and conditions of the policy, according to our underwriting practices, retroactive to the policy's original effective date.

**Your signature below represents to us that you or your authorized representative have:**

1. Consulted with your pre-certification, utilization review and case management vendors, your current or former third party administrator, and your prior stop-loss carrier, as needed, to obtain the information required to complete this form.
2. Consulted with your Human Resources department to identify employees on FMLA, extended sick leave, leave of absence, or short- or long-term disability.
3. Disclosed each individual covered under your benefit plan who is, or may be, a special risk as of the date you signed this form.

| Legal name of policyholder | Effective date of coverage |
|---|---|
| City of Grand Island | 10/01/2019 |

| Name of authorized representative of plan sponsor (please print) | Title |
|---|---|
| Roger G. Steele | Mayor |
| **Signature**<br>X Roger G. Steele | **Date**<br>8/14/2019 |

## Contact us

**By mail**
Sun Life Assurance Company of Canada
Attn: Stop-Loss Internal Sales Support
One Executive Park
Wellesley Hills, MA 02481

**By fax**
781-304-5392

www.sunlife.com/us

Customer Service **800-247-6875** M–F 8:00 a.m. – 8:00 p.m., ET

# Sun Life Assurance Company of Canada

Application for Stop-Loss Insurance

Sun Life Financial®

## 1 Plan sponsor information

| | | |
|---|---|---|
| Full legal name of plan sponsor<br>City of Grand Island | Policy number (office use only) | |
| Address<br>100 East First Street | Policy effective date (mm/dd/yyyy)<br>10/01/2019 | |
| City<br>Grand Island | State<br>NE | Zip code<br>68801-6023 |

## 2 Subsidiaries, affiliates, divisions, and locations

Please list all subsidiaries, affiliates, divisions, and locations to be covered under the Stop-Loss policy.

| |
|---|
| 1. |
| 2. |
| 3. |
| 4. |
| 5. |
| 6. |
| 7. |
| 8. |

## 3 Requested Coverage

Please select the coverage(s) being applied for.

☑ **Specific Benefit**

| | | |
|---|---|---|
| Specific Benefit Deductible<br>**$150,000** | ☑ Individual<br>☐ Family | |
| Aggregating Specific Deductible (if applicable)<br>**$50,000** | | |
| Specific Benefit **annual** maximum eligible expenses per Covered Person<br>**$** | OR | ☑ No maximum |
| Specific Benefit **lifetime** maximum eligible expenses per Covered Person<br>**$** | OR | ☑ No maximum |

☑ **Aggregate Benefit**

| | |
|---|---|
| Aggregate Benefit maximum<br>**$1,000,000** | Aggregate Benefit maximum eligible expenses per Covered Person*<br>**$150,000** |
| * Individual or family option applies to all selected coverages | |

## 4 Proposed benefits: rates, covered lives, and aggregate deductible factors

Specific Benefit enrollment:

| | Rate | Lives |
|---|---|---|
| Composite | $141.14 | 450 |
| | Total: | **450** |

| Specific Covered Benefits: | |
|---|---|
| ☑ Medical including prescription drug | ☐ Medical excluding prescription drug |

Aggregate Benefit enrollment:

| | Medical | Prescription drug |
|---|---|---|
| Composite | 450 | 450 |

Aggregate Deductible Factors (ADFs):

| | Medical | Prescription drug |
|---|---|---|
| Composite | $992.64 | $286.66 |

☐ Monthly Aggregate Accommodation (MAA)

Aggregate Benefit Premium Rates:
☑ Monthly Rate: $5.01 ☐ Annual Rate: $ ☐ Other: _____ rate: $

## 5 Claims basis

| Contract basis | | Specific Benefit | Aggregate Benefit | |
|---|---|---|---|---|
| 12/12 | Incurred and paid | ☐ | ☐ | |
| 15/12 | 3 month run-in | ☐ | ☐ | |
| 18/12 | 6 month run-in | ☐ | ☐ | |
| 24/12 | 12 month run-in | ☑ | ☑ | |
| 12/15 | 3 month run-out | ☐ | ☐ | |
| 12/18 | 6 month run-out | ☐ | ☐ | |
| 12/24 | 12 month run-out | ☐ | ☐ | |
| Incurred | | ☐ | N/A | |
| Paid | | N/A | ☐ | |
| Other: | | ☐ | ☐ | |
| Terminal Liability Option: | | ☐ | ☐ | ☐ 3 months ☐ Other |

## 6 For employers that are providers of medical services (e.g. hospitals, clinics, etc.)

The Related Provider Reimbursement Percentage applied to Eligible Claims Expenses for Related Provider Services will be N/A% for the Specific Benefit and N/A% for the Aggregate Benefit.

## 7 Retiree Information

1. Specific Benefit: Is retiree coverage included? ☐ Yes ☑ No
2. Aggregate Benefit: Is retiree coverage included? ☐ Yes ☑ No

## 8 Additional benefits (Must be approved by underwriting)

The following benefits are available to enhance your Stop-Loss coverage.

**Clinical Trials Benefit Provision**
☐ **Elect** ☑ **Decline**

**No New Special Conditions Rider at Renewal**
☑ **Elect** ☐ **Decline**

## 9 Fraud warnings

Please read the fraud warning below before signing this form. Where noted, state law requires that we notify you of the following:

**General fraud warning:** Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties.

**AL:** Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or who knowingly presents false information in an application for insurance is guilty of a crime and may be subject to restitution fines or confinement in prison, or any combination thereof.

**LA, MA, NM, RI, and WV:** Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

**DC:** Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

**FL:** Any person who knowingly and with intent to injure, defraud or deceive any insurer files a statement of claim or an application containing any false, incomplete or misleading information is guilty of a felony of the third degree.

**KS:** Any person who knowingly and with intent to defraud any insurance company or other person files an Application for insurance or statement of claim containing any materially false information or conceals, for the purpose of misleading, information concerning any fact material thereto may be guilty of insurance fraud as determined by a court of law.

**ME, TN, and WA:** It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.

**NJ:** Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.

**OH:** Any person who, with intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud.

**OK:** WARNING: Any person who knowingly, and with intent to injure, defraud or deceive any insurer, makes any claim for the proceeds of an insurance policy containing any false, incomplete or misleading information is guilty of a felony.

**OR and VA:** Any person who, with intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement may have violated state law.

**PR:** Any person who knowingly and with the intention of defrauding presents false information in an insurance application, or presents, helps, or causes the presentation of a fraudulent claim for the payment of a loss or any other benefit, or presents more than one claim for the same damage or loss, shall incur a felony and, upon conviction, shall be sanctioned for each violation by a fine of not less than five thousand dollars ($5,000) and not more than ten thousand dollars ($10,000), or a fixed term of imprisonment for three (3) years, or both penalties. Should aggravating circumstances be present, the penalty thus established may be increased to a maximum of five (5) years, if extenuating circumstances are present, it may be reduced to a minimum of two (2) years.

## 10 Certification and signature

Please return this form and all additional required documentation to Sun Life Assurance Company of Canada.

This application does not bind coverage. The applicant agrees to provide Sun Life Assurance Company of Canada with a current census of all plan participants, a disclosure of all special risks on the Special Risk Questionnaire and a complete Plan document prior to the effective date specified in section 1. Upon approval of this application, Sun Life Assurance Company of Canada will issue a Stop-Loss insurance policy with insurance coverage to become effective on the effective date. This application will be attached to and made a part of the Stop-Loss policy.

The policy will be void if the applicant has concealed or misrepresented any material fact or circumstance concerning the subject of this application.

I have read or had read to me the fraud warning for my state.

| Name of authorized representative of plan sponsor | Title | |
|---|---|---|
| Roger G. Steele | Mayor | |
| Signature of authorized representative<br>X Roger G. Steele | | Today's date<br>8/14/2019 |
| Signature of agent/broker<br>X | | |
| Print name of agent/broker<br>Carlos Torres | | |
| Florida agent/broker license ID number<br>N/A | | Amount paid with this application<br>$ — |
| Countersigned by licensed resident agent (when required by law)<br>X N/A | | |

## Contact us

**By mail**
Sun Life Assurance Company of Canada
P.O. Box 9133
Wellesley Hills, MA 02481

**By fax**
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