

ADMINISTRATIVE SERVICES AGREEMENT

This Agreement shall become effective on the date this Agreement is executed, between _____, hereinafter called Employer, and Key Benefit Administrators, Inc., (“KBA”) hereinafter called the Plan Supervisor, for the purpose of establishing the terms and conditions under which KBA agrees to provide administrative services with respect to the Employer's Employee Welfare Benefit Plan, hereinafter called Plan, in consideration of the payment by the Employer of the fees and the agreements recited below:

I. Plan Administration

1. The Employer shall:
 - a. Furnish the Plan Supervisor with detailed description of the Plan and any amendments instituted from time to time by the Employer.
 - b. Determine the claims administration procedures and practices to be followed which are not self-evident from the Plan.
 - c. Furnish the Plan Supervisor with sufficient information regarding claims incurred before the effective date of the supervision of the Plan by the Plan Supervisor to allow it to determine the liability of the Plan for related claims incurred thereafter.
 - d. Determine the eligibility of employees and dependents to receive benefits, with assistance from the Plan Supervisor, and retain adequate records in support thereof.
 - e. Promptly inform the Plan Supervisor of the addition or deletion of persons covered by the Plan with the agreement that the Plan shall remain liable for benefit claims which are pre-certified by the Plan Supervisor, or which are paid by the Plan Supervisor, as being covered until such time as the Plan Supervisor is notified of the change in eligibility of any person covered under the Plan.
 - f. Forward to the Plan Supervisor any incoming Certificates of Creditable Coverage received from any employee or eligible dependent to be used by the Plan Supervisor to calculate any pre-existing condition waiting period.
 - g. Obtain appropriate Fiduciary Liability insurance coverage when the Plan is subject to the Employee Retirement Income Security Act of 1974.
 - h. As Plan Administrator, follow the terms and conditions of the Plan and make all final coverage decisions when a formal appeal is submitted by a covered person.
 - i. Reconcile monthly billings and notify Plan Supervisor of any discrepancies within 60 days. The billing will be paid as billed in a timely manner until any issues are resolved.

2. The Plan Supervisor shall:
 - a. Provide sample benefit Plan documents for the review of the Employer and its legal counsel.
 - b. Arrange for the printing of Summary Plan Descriptions and identification cards for Plan participants unless otherwise agreed upon by the parties.
 - c. Follow the claims administration procedures and practices provided for under the Plan and consult with the Employer on any changes.
 - d. Provide suitable facilities, personnel, procedures, standard forms and instructions for the administration of claims under the Plan.
 - e. Using information provided by the Employer, maintain eligibility files and certify eligibility of employees to receive payments under the Plan.
 - f. Refund to Employer any over payment of fees based on the reconciliation of employer's monthly billing with such refund to be limited to up to 90 days of over payment.
 - g. Process claims consistent with the normal claim turnaround time frame of Plan Supervisor for the Plan and time of year.
 - h. Determine, in accordance with the Plan and claims administration procedures and practices, the qualification of claims submitted, making such investigation as may be necessary to determine whether a claim is payable under the terms of the Plan.
 - i. Provide appropriate billings for all services and insurance coverages and remit collected funds to the appropriate party.
 - j. Cooperate in requested audits of the Plan as set out in the attached Exhibit to this Agreement entitled "Audits by External Vendors."
 - k. Make Plan payments with Employer funds.
 - l. Provide Employer with information on disputed claims.
 - m. Refer to the Employer, for consideration and final decision as the Plan Administrator, any class of claims the Employer may specify including claims involving:
 - a. A question with respect to qualifications of claims submitted under the terms of the Plan,

- b. A question with respect to the amount due, and
- c. Any controversy concerning the payability of a claim under the Plan or the eligibility of a person to be covered under the Plan, with an analysis of the issues to assist the Employer in reaching a final decision. This will include claims appealed through the claim review procedure as set out in the Plan and the Summary Plan description.
- n. Report to the Employer essential information with respect to the Plan and the procedures thereunder and assist in distribution of the material furnished.
- o. Report to the Employer matters of general interest with respect to the Plan, e.g., problems of recurring nature, local situations and suspected misuse of benefits.
- p. Submit information to the Employer with respect to non-routine claims in process.
- q. Submit to the Employer a monthly accounting of payments made, with sufficient detail to provide for the audit and control of funds used.
- r. Make available to the Employer upon request a copy of each claim check which may be in the possession of the Plan Supervisor as a part of its duties hereunder.
- s. Provide consulting services concerning benefit Plan design and such revisions as may be necessary or appropriate for the Plan.
- t. Submit to the Employer a periodic accounting of benefit payments to participants and dependents by all lines of coverage.
- u. The Plan Supervisor shall maintain Professional Liability Insurance with a limit not less than \$1,000,000.
- v. Investigate any Medicare Secondary Payer situation which is brought to the attention of the Plan Supervisor by Employer or by the Centers for Medicare and Medicaid Services ("CMS") and process any appropriate refunds or payments to CMS on behalf of the Employer and Plan; however, any payment of a Medicare Secondary Payer claim to CMS by the Plan Supervisor on behalf of the Employer of Plan from the Plan Supervisor funds shall be reimbursed to the Plan Supervisor by Employer upon demand.
- w. Use commercially reasonable efforts to identify other parties that may be responsible for the payment of a Covered Person's medical claim; perform refund and recovery activities relative to any claim that has been overpaid for any reason; perform coordination of benefits activities according to the provisions of the Plan; and perform industry standard subrogation tasks. All subrogation recoveries will be subject to the terms of the stop-loss insurance policy and will first be paid to

the stop-loss insurance carrier as an offset against any stop-loss payment that was made in respect to the benefit claim payments at issue.

- x. The Plan Supervisor will make available to Employer a selection of Preferred Provider Network options.
- y. Maintain at its office for the duration of this Agreement and for six years thereafter, adequate books and records of all transactions between the Plan Supervisor, the Employer, and participants in the Plan. All such books and records which are the property of the Plan or Employer shall be returned to the Employer as of the termination of this Agreement at the cost of Employer.

II. General Claim Account

1. From funds ("Funds") made available to the Plan Supervisor by the Employer or Plan, the Plan Supervisor will arrange for the payment of approved claims for Covered Persons and for the payment of other approved expenses of the Plan from a General Claim Account ("GCA") maintained by the Plan Supervisor.
2. Upon the request of the Plan Supervisor the Employer or Plan will transfer to the the Plan Supervisor's GCA those Funds which are necessary to provide for the payment of approved claims and other approved expenses of the Plan. If requested Funds are not transferred to the Plan Supervisor's GCA within fifteen (15) working days of request, the Plan Supervisor may terminate the entire Agreement for Plan Supervisor with five (5) additional days written notice to Employer.
3. All Funds transferred to the Plan Supervisor's GCA will be used solely and exclusively for the purpose of paying approved claims or for the payment of other approved expenses of the Plan.
4. The GCA will at all times be an interest bearing account maintained by the Plan Supervisor with the Plan Supervisor's bank. All Funds held on deposit in the GCA will be accounted for separately by employers. All interest earned on the Funds will be the property of the Plan Supervisor and considered an additional administrative fee.
5. At no time will the Plan Supervisor have any access to, or use any deposits to, the GCA for any reason other than for the payment of approved claims and other approved expenses of the Plan. At no time will the assets of the Plan Supervisor be co-mingled with the Funds held in the GCA.
6. The Plan Supervisor will provide and pay for the check stock necessary to pay approved claims and other approved expenses of the Plan. The Plan Supervisor will also process, execute, and distribute all checks in payment of approved claims and expenses, reconcile all appropriate bank statements, and pay all banking fees necessary to operate the GCA.

III. Fees and Other Charges

1. The Employer shall timely pay to the Plan Supervisor an administration fee for the services rendered hereunder and such other fees for additional services to be rendered as agreed upon by the parties from time to time. All such fees shall be established in writing between the parties as of the beginning of each new year of this Agreement or as of the initiation of any new service to be provided by the Plan Supervisor. Additionally, Employer shall timely pay to the Plan Supervisor all payments for insurance coverages and other products purchased through Plan Supervisor or with Plan Supervisor's aid.
2. The administration fee shall be payable monthly. A late payment fee of \$50 may be assessed if full payment of an invoice for services or products is not received by the Plan Supervisor within 20 days of the due date set out in the billing. If full payment of the administration fee is not made within 30 days of the due date, Plan Supervisor may suspend all activity in relation to the Plan. Increased expenses incurred by reason of changes in the Plan, agreed upon services, or compliance with governmental regulations will give the Plan Supervisor the right to adjust the fee in an amount to be agreed upon with Employer. The claims administration fee shall also be adjusted on any date that increased expenses are incurred by reason of a change in the charges imposed by any local, state, or federal government, such adjustment being limited to the amount of any such charge. The Plan Supervisor will give Employer notice of the date that any adjustment to the fee will take place. If the Employer does not agree to the adjustment, the Plan Supervisor may terminate this Agreement and its services 30 days after the date that notice of the adjustment is given to the Employer.
3. The Employer shall reimburse the Plan Supervisor for any additional expense it incurs in the furtherance of the services provided hereunder including, but not limited to, the printing of special material, the cost of obtaining any medical records necessary to determine the payability of any benefit claim, the cost of obtaining a medical review of any claim situation which is necessary to determine the payability of any benefit, and any overnight delivery charges when overnight delivery is requested by the Employer or where the use of overnight delivery is necessary to preserve an insurance coverage when the delay in payment is attributable to the Employer. Any costs incurred by the Plan Supervisor in the furtherance of such items will be billed to the Employer on a monthly basis.
4. Additional Fees:

For those employers who purchase services and supplies from vendors other than Assurant and where Plan Supervisor provides a common remitter services,

Plan Supervisor shall charge the Employer a fee of \$0.45 per product per employee per month based on the number of the Employer's covered persons.

Other Available TPA Services Depending on Employer's Needs

| Additional Services | \$ / EE / Month |
|---|-----------------------------|
| FlexPro 125 with debit card / claim crossover | \$5.00 (net of commission) |
| HSA with claim crossover | \$1.00 (net of commission)* |
| HRA with claim crossover | \$5.00 (net of commission) |

All Additional Fees are subject to an annual increase in an amount equal to the percentage increase in the United States Consumer Price Index-All Urban Consumers All Items for the prior twelve month period.

*For the Plan Supervisor's HSA administration services under its standard package, the Plan Supervisor may charge an additional \$4.00 per month, charged to each HSA covered employee. Plan Supervisor may bill the Employer and/or employees of the Employer directly for such services. The Plan Supervisor is not responsible for HSA custodian and/or investment fees or costs. Plan Supervisor may charge up to \$250 annually when the Plan Supervisor is actively working with an HSA custodian and/or investment vehicle on behalf of the Employer.

IV. Liability and Indemnity

1. The Plan Supervisor does not insure nor underwrite the liability of the Employer under the Plan. The Employer retains the ultimate responsibility for claims made under the Plan and all expenses incident to the Plan except as specifically assumed in this Agreement by the Plan Supervisor. The Employer agrees to indemnify the Plan Supervisor and hold it harmless against any and all losses, damages or lawsuits, including attorney's fees and costs, occasioned by claims, demands or lawsuits brought against the Plan Supervisor to recover benefits under the Plan. The Plan Supervisor shall indemnify and hold Employer harmless for any and all claims, demands or lawsuits arising out of or related to any act or omission by the Plan Supervisor involving negligence or willful misconduct with regards to the Plan Supervisor's duties under this Agreement.

V. Termination and Revision

1. This Agreement shall be for an initial period of one (1) year from the effective date hereof and shall be automatically renewed for additional one (1) year periods unless terminated pursuant to the terms set out herein.

2. This Agreement may be terminated effective upon the last day of the then current Agreement year provided that the terminating party has given the other party ninety (90) days prior written notice of termination. Additionally, the Plan Supervisor may terminate this Agreement upon fifteen (15) days written notice to Employer in the event the Plan Account contains a balance which is insufficient to meet Plan and Employer obligations, or Employer holds benefit payment checks for more than fifteen (15) days if the Plan uses an Employer controlled bank account to pay benefit claims.
3. The Plan Supervisor upon request shall furnish to the Employer upon termination of this agreement, documentation and claims data which facilitates a smooth transition to any new carrier. The format of this information shall be determined by the Plan Supervisor and shall include claims history, deductible information, lifetime maximum information and other similar information which can be produced in standard format by the Plan Supervisor. The format of the information shall be in an industry recognized format which can be reasonably utilized by the typical new carrier. Any report requested by the Employer and produced by the Plan Supervisor as a part hereof which is not a normal report produced by the Plan Supervisor shall be billed to client at Plan Supervisor's standard rate. No non-standard report will be produced without such an agreement concerning price and the prepayment thereof.
4. Upon termination Plan Supervisor may offer to provide claim run-out and services at its then standard fee structure for such services.
5. This Agreement may only be revised by written agreement signed by both parties, except as otherwise herein provided.

VI. Relationship Between Parties

1. Nothing in this Agreement shall be construed as creating a fiduciary relationship between the Plan Supervisor and the Employer or participants in the Plan. The Plan Supervisor shall act under this Agreement solely as agent of the Employer in the administration of the Plan.

VII. Utilization Review

1. The Plan Supervisor shall, subject to the approval of the Employer, arrange for the administration of the portion of the Plan known as "The Managed Care Program" through an appropriate utilization management firm. The Employer shall pay a fee for such services to the Plan Supervisor on a monthly basis. During the term of the Agreement for the Plan Supervisor, the Managed Care Fee shall be as stated on the Fee Schedule until changed by mutual agreement of the parties.

VIII. Negotiated Savings Program

1. The Negotiated Savings Program will be made available to the Plan. The Plan will pay the Plan Supervisor a percentage amount of the gross savings which is received by the Plan through this program. The percentage amount is set out as a part of the Fee Schedule. The services will be as follows:
 - a. Negotiate with providers to obtain discounts on inpatient and outpatient hospital claims that meet appropriate criteria as determined by the Plan Supervisor.
 - b. Negotiate with providers to obtain discounts on any non-hospital claims that meet appropriate criteria as determined by the Plan Supervisor.
2. Employer agrees to immediately fund the payment of any claim which has been negotiated through this program when necessary to secure the discount. Employer understands and agrees that any such negotiated claim which is not funded in a timely manner may lose the negotiated discount, may be responsible for the fee, and that the Plan Supervisor will not be responsible for the loss of such a negotiated discount.
3. Plan Supervisor shall use commercially reasonable efforts (i) to arrange for the provider to not bill or otherwise charge the Covered Person the negotiated discount and (ii) will inform the Covered Person that they are not responsible for the discount amount. In any case where a provider balance bills the Covered Person for any such negotiated discount amount, Plan Supervisor will be fully responsible for such bills.

IX. Regulatory Compliance Administration

1. The Employer shall:
 - a. Fulfill all obligations, pursuant to the Plan, in accordance with the appropriate regulatory provisions, including but not limited to, continuation of coverage under COBRA and compliance with the provisions of HIPAA as amended. The Plan Supervisor agrees to assist Employer with regulatory compliance services as expressly defined herein as the responsibility of the Plan Supervisor.
2. The Plan Supervisor shall:
 - a. Mail legally compliant COBRA and HIPAA initial rights notices to a Covered Person's home when coverage begins and other required HIPAA related notices where applicable. Plan Supervisor will also mail the federally required annual notice of rights under the Women's Health and Cancer Rights Act, and HIPAA privacy notices to Employer with

instructions specifying that the Employer must distribute these notices to the Employer's covered employees.

- b. Provide to Employer a form of notice to be used by Employer in notifying the Plan Supervisor upon divorce of the employee and spouse.
- c. Send to terminated employee and qualifying beneficiaries a notice of rights under COBRA, premium information and due dates, and election form within 14 days of the Plan Supervisor's receipt of notification of a qualifying event.
- d. Send acknowledgement of receipt of a COBRA election form to a terminated employee or qualified beneficiaries who elect to continue coverage.
- e. Provide COBRA enrollment services, including billing and collection of continuing coverage premiums, monitoring of continuing eligibility, and communication of ongoing eligibility to appropriate Plan Supervisors.
- f. Send notice of termination of COBRA coverage to terminated employee or qualified beneficiaries within 60 days before the end of the continuation period or upon the cancellation of COBRA coverage.
- g. Send to terminated employee and qualified beneficiaries within 14 days of qualifying event an outgoing Certificate of Creditable Coverage. The obligation of the Plan Supervisor under this paragraph is subject to timely receipt of notification of the qualifying event from the Employer or employee.
- h. Send to employee and qualified beneficiaries Certificate(s) of Creditable Coverage on demand within 14 days of the request.
- i. Maintain records of notices, elections and premium payments and provide status reports to the Employer as requested.
- j. Provide suggested COBRA contribution rates and apply final COBRA contribution rates sixty (60) days after the beginning of a Plan year.
- k. Plan Supervisor represents to Employer that it will comply with the Health Insurance Portability and Accountability Act of 1996, as amended ("HIPAA"). Plan Supervisor further agrees to comply with Employer's reasonable policies and procedures regarding data security and confidentiality.

X. IRS Form 5500 Preparation & Summary Annual Financial Reports

1. Employer shall:
 - a. Be responsible for filing the prepared Form 5500(s) pursuant to IRS requirements.
 - b. Be responsible for distributing the Summary Annual Financial Reports to the Plan Participants.

2. The Plan Supervisor shall:
 - a. Provide preparation and distribution of Summary Annual Financial Reports and preparation of Form 5500 on behalf of the Employer and Plan(s) as indicated on the fee page.

Agreed to this _____ day of _____, _____.

by _____
Key Benefit Administrators, Inc.

by _____
Employer