

## **CONTINUATION COVERAGE ADMINISTRATIVE SERVICES AGREEMENT**

This Administrative Services Agreement (the “Agreement”) is between Lifetime Benefit Solutions, Inc. (“LBS”), a New York Corporation with a principal place of business at 333 Butternut Drive, Syracuse, NY 13214 and **Elmira Heights Central School District** (hereinafter referred to as the “Employer”), with a principal place of business at 2083 College Avenue, Elmira Heights, NY 14903 concerning the Employer’s welfare benefit plan (the “Plan”). This Agreement is effective as of **July 1, 2018** (the “Effective Date”).

In consideration of the mutual covenants contained herein, the Employer and LBS agree as follows.

1. **Purpose.** The Employer desires LBS assistance from LBS in the administration of the continuation of coverage provisions applicable to the Plan pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended (“COBRA”), applicable state group health continuation coverage laws (“State Continuation Coverage”) and the Uniformed Services Employment and Reemployment Rights Act (“USERRA”), as applicable. As used in this Agreement: the general term “Continuation Coverage” refers to COBRA, State Continuation Coverage, and USERRA; the term “qualified beneficiary” refers to any person entitled to elect continued group health coverage under any such law; and the term “qualifying event” refers to an event which entitles such person to elect continued group health coverage under any such law; unless the context indicates otherwise.

2. **Effective Date; Term.** LBS shall provide to the Employer the administrative services specified in this Agreement, as of the Effective Date. The Agreement will remain in effect for a period of one year from the Effective Date, and shall renew automatically for consecutive twelve (12) month terms on the anniversary of the Effective Date unless earlier terminated in accordance with Section 12 or 16 of this Agreement.

3. **Consideration; Payment; Taxes and Fees.** As consideration for the performance of administrative services by LBS under this Agreement, the Employer will pay to LBS the fees set forth on each LBS invoice within thirty (30) days of the date of the invoice. Fees will be calculated in accordance with the fee schedule attached to this Agreement as Schedule A. The fees specified on Schedule A will remain in force for a period of one (1) year from the Effective Date of this Agreement. All fees incurred after that period will be subject to change by LBS upon sixty (60) days’ prior written notice to the Employer. Employer shall be responsible to pay or reimburse LBS for all taxes applicable to the transitional reinsurance program under the Affordable Care Act or similar initiatives. In the event taxes or fees related to Comparative Effectiveness

Research (CER), the Patient-Centered Outcomes Research Institute, or similar initiatives, are applicable to this Agreement, then Employer shall be responsible to pay or reimburse LBS for all taxes and fees applicable to such programs. LBS reserves the right to fund these tax payments or fees by adjusting its administrative fees to pay such taxes or fees upon written notice to Employer.

**4. Reports.** Upon request from the Employer and pursuant to reasonable instructions provided by Employer, LBS shall make available to Employer any reports necessary for the Employer to calculate and pay all taxes and fees applicable to Comparative Effectiveness Research (CER), the Patient-Centered Outcomes Research Institute, or similar initiatives that require counts of covered persons.

**5. Notification and Election Procedures.** The following procedures are agreed upon by the Employer and LBS to facilitate the proper administration of Continuation Coverage by LBS on behalf of the Employer.

(a) Upon the occurrence of each qualifying event as determined by the Employer consisting of the divorce or legal separation of an employee, or a child's loss of dependent status under the Plan, the Employer will notify LBS of the qualifying event in writing at the address designated by LBS by completing and submitting to LBS a qualifying event fact sheet supplied to the Employer by LBS, electronic file in an approved file format or information entered into the LBS system via the employer portal. The qualifying event fact sheet/file/information must be submitted to LBS within thirty (30) days after the earlier of receipt by the Employer of notification of the event or the date the Employer becomes aware (or should have become aware) of the event. The Employer will also provide to LBS all information and data needed for LBS to notify the qualified beneficiary of his or her rights and obligations under Continuation Coverage.

(b) Upon the occurrence of each qualifying event consisting of the termination or reduction in hours of an employee's employment, or an employee's entitlement to Medicare benefits, or the death of an employee, the Employer will notify LBS of the qualifying event in writing at the address designated by LBS by completing and submitting to LBS a qualifying event fact sheet, electronic file in an approved file format or information entered into the LBS system via the employer portal. The qualifying event fact sheet/file/information must be submitted to LBS within thirty (30) days after the earlier of receipt by the Employer of notification of the event or the date the Employer becomes aware (or should have become aware) of the event. The Employer will provide to LBS on the fact sheet, file or by information entered into the LBS employer portal: the employer's name, the name of each qualified beneficiary, the name of the Plan, the date of the qualifying event and the type of qualifying event so LBS can notify each qualified beneficiary of his or her right to elect Continuation Coverage.

(c) Upon the occurrence of an employee leaving employment to perform military service that is subject to USERRA, the Employer will notify LBS of this fact in writing at the address designated by LBS by completing and submitting to LBS a

qualifying event fact sheet, electronic file in an approved file format, or information entered into the LBS system via the employer portal. The qualifying event fact sheet/file/information must be submitted to LBS within thirty (30) days after the earlier of receipt by the Employer of notification of the event or the date the Employer becomes aware (or should have become aware) of the event. The Employer will provide to LBS on the fact sheet, file or by information entered into the LBS system: the employer's name, the name of each qualified beneficiary, the name of the Plan, the date of the event and the type of event so LBS can notify the qualified beneficiary of his or her rights and obligations under Continuation Coverage.

(d) LBS will program into its computer system all pertinent information and data supplied by the Employer for purposes of Continuation Coverage notification and will provide, within fourteen (14) days of receipt of a qualifying event fact sheet, electronic file in an approved file format or information entered into the LBS Continuation Coverage system via the employer portal, a Continuation Coverage notification and election form to each qualified beneficiary either by first-class mail or by certified mail, return receipt requested, at the option of the Employer.

(e) If LBS does not receive a qualified beneficiary's completed notification and election form in a timely manner, or if a qualified beneficiary notes upon the form an intention to decline Continuation Coverage, LBS shall, on the date of expiration of the sixty (60) day election period, close the file maintained by LBS with respect to the qualified beneficiary.

(f) If a qualified beneficiary properly elects Continuation Coverage by submitting an appropriate notification and election form to LBS within the sixty (60) day election period, LBS will provide to the qualified beneficiary confirmation of the election to continue coverage, along with an invoice for Continuation Coverage premium(s) due from the date of termination of benefits under the Plan. The confirmation form utilized by LBS will indicate the expiration date of the forty-five (45) day period for payment of the first premium(s), including any retroactive payments owed.

(g) LBS will notify the Employer in writing (or provide a report) of a qualified beneficiary's written election to continue or decline Continuation Coverage, or failure to make a Continuation Coverage election on a timely basis.

The Employer will then be responsible for notifying the insurance carrier(s) that the qualified beneficiary's coverage is to be continued or discontinued.

LBS, on behalf of the Employer, will be responsible for notifying the insurance carrier(s) that the qualified beneficiary's coverage is to be continued or discontinued.

Employer will also be granted access to the reporting information on LBS' employer portal and described in Section 14(b).

## 6. Payment of Premiums.

(a) LBS will collect all premium payments due from each qualified beneficiary, plus the applicable administrative fee. (In cases in which no specific administration fee is expressly set by law, the administrative fee shall be agreed upon by LBS and the Employer.) If the first premium payment is not received within forty-five (45) days from the date of the election, LBS will close the qualified beneficiary's file and notify the Employer immediately so that the Employer may, in turn, notify the insurance carrier(s). If the first Continuation Coverage premium payment is received within forty-five (45) days from the date of election, LBS will establish a billing schedule for the qualified beneficiary that will be maintained for the duration of the qualified beneficiary's Continuation Coverage. Each invoice provided to a qualified beneficiary by LBS will specify the premium owed and the due date.

(b) All premium administrative fees collected by LBS shall be paid over to the Employer on a monthly basis.

(c) LBS shall hold in trust for the Employer, and shall forward to the Employer or the Employer's designee, on a bi-weekly basis, all premium payments received from the Employer's qualified beneficiaries, along with such other information as shall be required under this Agreement. The Employer will then pay directly to the insurance carrier(s) all premium payments due for the coverage of its qualified beneficiaries and reconcile with the carrier(s).

**7. Open Enrollment.** In the event that the Plan permits a periodic election of benefits ("open enrollment"), LBS will provide to the Employer, approximately ten (10) business days prior to the commencement of the open enrollment period, a list of names and addresses of all qualified beneficiaries covered under the Plan. The Employer will then send annual election forms to each qualified beneficiary on the list. At the close of the open enrollment period, the Employer will notify LBS of any changes in the coverage selected by the qualified beneficiaries.

## 8. Employer Obligations.

(a) The Employer will be responsible for complying with all federal or state law requirements, as applicable, that have not been specifically delegated to LBS under this Agreement, and for determining whether an individual whose group health coverage under the Plan would otherwise terminate is entitled to Continuation Coverage.

(b) In the event that the Employer utilizes the services of a broker, Employer is required to provide written notification to LBS within ten (10) days following the effective day of a new broker agreement or a termination thereof.

**9. Other Legal Requirements.** The Employer will be solely responsible for complying with all applicable state law and federal law requirements relating to the timely remission of premiums to insurance carrier(s) and the timely notification of the

exact dates of employment termination and termination of coverage in connection with any qualifying event. LBS assumes no liability for such compliance or for compliance with any other legal requirements imposed upon Employer now or in the future, except as specifically set forth in this Agreement.

**10. Changes in Rate.** In the event of any change in the premium rate(s) charged for Continuation Coverage, the Employer will notify LBS in writing of the change at least thirty (30) days prior to the effective date of the change. LBS will then provide to each qualified beneficiary, by first-class mail, written notice of the rate change.

**11. Changes in Benefits.** In the event of any substantive change in the Plan, the Employer will notify LBS in writing at least thirty (30) days prior to the effective date of the change in benefits. LBS will provide the Employer with a list of names and addresses of all qualified beneficiaries covered under the Plan, to enable the Employer to send a new summary of benefits and coverage, summary plan description or summary of material modification and identification cards to the qualified beneficiaries affected by the change. The Employer will be solely responsible for providing summaries of benefits and coverage, summary plan descriptions or summaries of material modification and identification cards to the qualified beneficiaries covered under the Plan.

**12. Conversion.** At, or shortly before the end of the applicable maximum period for Continuation Coverage, LBS will send to each qualified beneficiary a notice of the right to convert to a direct payment contract, if and as prescribed by applicable law, rule, or regulation.

**13. Non-Disclosure Obligations.**

“Confidential Information.” For purposes of this Agreement, Confidential Information shall mean all individual identifiable employee information, including social security number, name, date of birth, etc.

LBS agrees:

(a) to protect and safeguard the Confidential Information against unauthorized use, publication, or disclosure.

(b) not to use any of the Confidential Information except for the Purpose of this Agreement.

(c) not to reveal, report, publish, disclose, transfer, or otherwise use any of the Confidential Information except as specifically authorized by the Employer in accordance with this Agreement, or as required by law.

(d) to restrict access to the Confidential Information to those LBS officers, directors, and employees who clearly need such access to carry out the Purpose.

(e) to advise each of the persons to whom LBS provides access to any of the Confidential Information, that such persons are strictly prohibited from making any use, publishing or otherwise disclosing to others, or permitting others to use for their benefit or to the detriment of the Employer, any of the Confidential Information.

(f) to comply with any other reasonable security measures requested in writing by the Employer.

Exceptions. The confidentiality obligations hereunder shall not apply to Confidential Information which: is, or later becomes, public knowledge other than by a breach of the provisions of this Agreement; is in the possession of LBS; or is independently received by LBS from a third party, with no restrictions on disclosure.

Return of Confidential Information. LBS agrees, upon termination of this Agreement, to promptly return to the Employer all Confidential Information.

#### **14. Collection and Provision of Historical Data.**

(a) LBS will monitor the status of all Continuation Coverage qualified beneficiaries covered under the Plan, and will provide to each such qualified beneficiary, as prescribed by law, rule, or regulation, a notification and election form in the event of notification of any subsequent qualifying event by Employer that may affect the qualified beneficiary's coverage under the Plan.

(b) Employer will be granted access to the following monthly Continuation Coverage reporting information on LBS' employer portal or, upon Employer's request, LBS will provide the Employer with such information in a written monthly report:

(i) the names of all Continuation Coverage enrollees with respect to whom any Continuation Coverage premium payments were received by LBS in the preceding calendar month, and the amounts received;

(ii) the names of all qualified beneficiaries who elected to continue Continuation Coverage in the preceding calendar month, and the type of coverage selected; and

(iii) the names of all qualified beneficiaries whose Continuation Coverage was terminated in the preceding calendar month, the reason for each termination of coverage, and a brief coverage history on each such qualified beneficiary (including all dates of events, notifications, and Continuation Coverage premium payments).



(c) With respect to state continuation coverage and USERRA qualified beneficiaries, LBS will monitor the status of the each such qualified beneficiary's Plan coverage and will provide the services and information described in Subsections (a) and (b) above as agreed upon by the Employer and LBS.

(d) LBS shall provide access to its employer portal without representation or warranty of any kind, and further, access to LBS' employer portal is not represented or guaranteed to be error free or uninterrupted.

(e) Employer must provide written notification to LBS' of the Employer's employees that are to be granted access to LBS' employer portal. In the event that there is a change to the list of employees granted access to LBS' employer portal, the Employer must provide written notification to LBS within 2 business days after the effective date of such change.

#### **15. Liability; Indemnification.**

(a) The Employer will be solely responsible for notifying LBS on a timely basis of each qualifying event that entitles one or more qualified beneficiaries to Continuation Coverage. The Employer will also be solely responsible for providing LBS with all information and data needed for LBS to notify qualified beneficiaries of their rights and obligations under Continuation Coverage. The Employer will also be responsible for providing LBS with all information and data needed for providing a general notice, if applicable, and a Continuation Coverage unavailability notice.

(b) In the event that the Employer fails to notify LBS of a qualifying event or fails to provide LBS with accurate information and data needed for LBS to notify qualified beneficiaries of their rights and obligations under Continuation Coverage, the Employer agrees to defend with competent counsel, indemnify, and hold LBS harmless from and against any and all damages, liabilities, losses, costs, claims, penalties, and expenses (including reasonable attorneys' fees) incurred by LBS and arising out of such failure. In the event that the Employer fails to defend an action arising out of such failure, LBS shall have the right to defend and control the defense of the action, and the Employer shall promptly reimburse LBS for all reasonable costs and expenses incurred by LBS in conducting the defense (including reasonable attorneys' fees).

(c) In the event that LBS, its agents, or its employees fail to perform as provided in this Agreement and such failure is due to LBS', its agents', or its employees' gross negligence or intentional misconduct, LBS shall defend with competent counsel, indemnify, and hold the Employer harmless from and against any and all damages, liabilities, losses, costs, claims, penalties, and expenses (including reasonable attorneys' fees) incurred by the Employer and arising out of such failure. In the event that LBS fails to defend the Employer as provided above, the Employer shall have the right to defend and control defense of any action as described above, and LBS shall promptly reimburse the Employer for all reasonable costs and expenses incurred by the Employer in conducting the defense (including reasonable attorneys' fees).



**16. Termination.**

(a) This Agreement may be terminated by either party upon sixty (60) days' prior written notice to the other party as set forth in Section 17 of the Agreement.

(b) Notwithstanding the right of either party to terminate this Agreement in accordance with subsection (a) above, each party shall have the right to terminate this Agreement upon the occurrence of any of the following events: (i) the other party fails to comply with any material term of this Agreement and such failure shall continue for fifteen (15) days after receipt of written notice specifying the nature of the failure; or (ii) the other party becomes insolvent or files for reorganization or makes an assignment for the benefit of creditors; or (iii) any application is filed by or against the other party to have such party adjudicated bankrupt or insolvent or for such party's reorganization, composition, or arrangement among creditors, and the application is approved by the court or the proceeding is not dismissed within sixty (60) days after its institution.

**17. Notices.** All notices and other communications from one party to the other shall be in writing and shall be deemed received when delivered in person or three (3) business days after such notice or other communication is deposited in an official receptacle of the United States Postal Service for delivery by first-class mail, postage prepaid, addressed to the other party at the address specified below or to such other address as the party may subsequently specify by notice:

If to LBS:                      Lifetime Benefit Solutions, Inc.  
   333 Butternut Drive  
   Syracuse, NY 13214  
   Attn:                      President  
   Copy to:                COBRA Department

If to the Employer:      Elmira Heights Central School District  
   2083 College Avenue  
   Elmira Heights, NY 14903

If the Employer contact information listed above changes, the Employer is required to provide written notification of such change to LBS within thirty (30) days following the effective date of such change.

**18. Legal Counsel.** The Employer will be responsible for obtaining independent legal advice pertaining to any provision of this Agreement, or any obligation that may be imposed upon the Employer pursuant to the Agreement.

**19. Severability.** The invalidity or unenforceability of any provision of this Agreement will not in any way affect the validity or enforceability of any other provision.





20. **Governing Law.** This Agreement will be governed by and construed in accordance with the laws of the State of New York.

21. **Entire Agreement.** This Agreement sets forth the entire understanding of the parties with respect to its subject matter and supersedes all prior agreements, understandings, or representations, whether oral or written, by either party.

22. **Amendment; Waiver; Assignment.** No provision of this Agreement will be amended or waived except by a subsequent written document signed by both parties, and this Agreement may not be assigned by either party without the prior written consent of the other, provided, however, that either party may assign its rights and obligations under this Agreement to any purchaser of all or a substantially all of its assets.

23. **Binding Effect.** This Agreement is binding upon, and shall inure to the benefit of the parties and their successors and permitted assigns.

24. **Jurisdiction; Venue.** Jurisdiction of any litigation with respect to this agreement will be in New York, with venue in a court of competent jurisdiction in Onondaga County.

*\*\*\*\*\*Balance of Page Intentionally Left Blank\*\*\*\*\*  
\*\*\*\*\*Signature Page to Follow\*\*\*\*\**



The parties' assent to this Agreement as of the date set forth at the beginning is confirmed by their signatures below.

**Lifetime Benefit Solutions, Inc.:**

By: \_\_\_\_\_

Print Name: Thomas D. Cauthorn

Title: President

Date: \_\_\_\_\_

**Elmira Heights Central School District:**

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



**Schedule A (Rate Sheet)  
to**

**Continuation Coverage Administrative Services Agreement between  
Elmira Heights Central School District and Lifetime Benefit Solutions, Inc.  
Effective July 1, 2018**

**CLIENT SET-UP FEES**

Implementation (One-Time Fee) (Includes a computer set-up fee of all client plans, rates, and locations)	\$250.00
Monthly Administration	\$1.00 PE/PM Minimum \$55.00 / Month
Current Continuee Conversion	\$20.00 / Continuee

**FEES**

Lifetime Benefit Solutions offers several options, allowing the client to elect various types of notification.

**COBRA-SPECIFIC RIGHTS NOTIFICATION**

Notification by First-Class Mail (Per Qualifying Event and per Qualifying Beneficiary)	Included in Above Rate
-or-	
Notification by Certified, Return-Receipt Mail (Per Qualifying Event and per Qualifying Beneficiary)	\$0.25 Additional PE/PM Fee Minimum Increased to \$75 / Month
General Notice With Acceptable Electronic Format	Included in Above Rate
General Notice – Manually	Included in Above Rate
General Notice to Current Population	\$2.00 / Notice
Open Enrollment Mailing	\$5.00 / Mailing

**BILLING**

Invoice Remittance System	Included in Above Rate
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**PREMIUM COLLECTION**

Continuee Premium Payments Sent to Client Biweekly (Lifetime Benefit Solutions forwards 2% Administration Fee from Continuees to Client, if applicable)	Included in Above Rate
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