

ADMINISTRATIVE SERVICES AGREEMENT FOR PREVENTIVE SERVICES MEDICAL PLAN ADMINISTRATION

This Agreement shall become effective on the date this Agreement is executed between _____ [Company Name], hereinafter referred to as "Plan Sponsor," and Staff Benefits Management, Inc., doing business as Staff Benefits Management & Administrators or SBMA, hereinafter referred to as "Administrator," for the purpose of establishing the terms and conditions under which SBMA agrees to provide administrative services with respect to the Plan Sponsor's Employee Welfare Benefit Plan, hereinafter referred to as the "Plan," in consideration of the payment by the Plan Sponsor of the fees and in accordance with the agreements recited below.

I. Plan Administration

A. Plan Sponsor shall:

1. Agree that the Plan is final as written and will be administrated as such, with no benefit changes allowed for an individual Plan Sponsor adopting the Plan and no payments made outside the Plan for any covered participants. Any deviations from the Plan shall require completion and submission of the Approval of Non-Covered Benefit(s) Payment Authorization Amendment (not included in this agreement).
2. Determine the eligibility of employees and dependents to receive benefits, with assistance from the Administrator, and retain adequate records in support thereof.
3. As soon as administratively possible, but no later than within 30 days of an eligibility change for enrollment and within 60 days for a termination, inform the Administrator of the change of persons covered by the Plan with the agreement that the Plan shall remain liable for benefit claims which are pre-certified by the Administrator, or which are paid by the Administrator, as being covered until such time as the Administrator is notified of the change in eligibility of any person covered under the Plan.
4. As Plan Sponsor, adhere to the terms and conditions of the Plan as written.
5. Review each bill for administrative services against its records of insured individuals and notify the Administrator of any discrepancies as soon as administratively possible, but no later than 60 days after the bill date.
6. Pay all billings exactly as billed within a 30-day period.

B. Administrator shall:

1. Arrange for the printing and delivery of identification cards for Plan participants.
2. Follow the claims administration procedures and practices provided for under the Plan and in accordance with standard industry practice and inform the Plan Sponsor of any material changes.
3. Provide suitable facilities, personnel, procedures, standard forms, and instructions for the administration of claims under the Plan.
4. Using information provided by the Plan Sponsor, maintain eligibility files, and certify eligibility of employees to receive payments under the Plan.
5. Reconcile eligibility and rate discrepancies on bills following receipt of updated information from the Plan Sponsor.
6. Refund to the Plan Sponsor any overpayment of fees based on the reconciliation of the Plan Sponsor's monthly billing with such refund to be limited to up to 60 days of overpayment.
7. Provide COBRA administration as a part of the Administration Fee.
8. Process claims consistently with the normal claim turnaround time frame of the Administrator for the Plan and time of year.

9. 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.
10. Provide appropriate billings for all services and insurance coverages and remit collected funds to the appropriate party.
11. Make Plan payments with Plan Sponsor funds in strict adherence to the Plan, using no funds for payments outside the Plan.
12. Provide Plan Sponsor with information on disputed claims and rationale for claim payment in accordance with the Plan and industry standards.
13. Report to the Plan Sponsor essential information with respect to the Plan and the procedures thereunder and assist in distribution of the material furnished.
14. Report to the Plan Sponsor matters of general interest with respect to the Plan, e.g., problems of a recurring nature, local situations, difficult claim issues and suspected misuse of benefits.
15. Submit to the Plan Sponsor an annual accounting of payments made, with sufficient detail to provide for the tracking of funds used.
16. Maintain Professional Liability Insurance with a limit not less than \$2,000,000.
17. Investigate any Medicare Secondary Payer situation that is brought to the attention of the Administrator by Plan Sponsor or by the Centers for Medicare and Medicaid Services ("CMS") and process any appropriate refunds or payments to CMS on behalf of the Plan Sponsor and Plan; however, any payment of a Medicare Secondary Payer claim to CMS by the Administrator on behalf of the Plan Sponsor of Plan from the Administrator funds shall be reimbursed to the Administrator by Plan Sponsor upon demand.
18. Use commercially reasonable efforts to identify other parties that may be responsible for the payment of a covered person's medical claim; manage 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.
19. Maintain at its office for the duration of this Agreement and for seven years thereafter, adequate books and records of all transactions between the Administrator, Plan Sponsor, and participants in the Plan.
20. Offer claims run-out services at the termination of this Agreement pursuant to terms and conditions agreed upon by the parties at such time. If this Agreement terminates, for any reason, prior to the end of the Agreement period, as outlined in section V, paragraph 1, claims run-out will not be offered and the Administrator will not be liable for any claims received after such termination date.

II. Claims Accounting

1. The Plan Sponsor and Administrator agree to conduct all financial transactions related to the services provided for under this Agreement through the process described below.
2. Approved benefit claims shall be paid from funds ("Funds") paid to the Administrator by the Plan Sponsor as a monthly pre-payment for the operation of the plan. Administrator will arrange for the payment of approved claims for covered persons and for the payment of other approved expenses of the Plan if applicable.
3. All Funds shall be reconciled to the Plan Sponsor's account.

III. Charges

1. The Plan Sponsor shall timely pay to the Administrator the billed charges for the services rendered hereunder and such other charges for additional services to be rendered as agreed upon by the parties from time to time. All such charges shall be established in writing between the parties at the beginning of each renewal of this Agreement or upon the initiation of any new service to be provided by the Administrator. Additionally, the Plan Sponsor shall timely pay to the Administrator all payments for insurance coverages and other products purchased through the Administrator or with the Administrator's aid.
2. The bill containing all charges for the administration and coverage of the plan shall be payable monthly unless otherwise agreed upon. If full payment of the monthly bill is not made within 30 days of the due date, the Administrator may suspend all activity in relation to the Plan. Increased expenses incurred for agreed upon services or compliance with governmental regulations will give the Administrator the right to adjust the fee in an amount to be agreed upon with the Plan Sponsor. The claims administration fee shall also be adjusted on any date that increased expenses for the administration of the Plan Sponsor's Plan 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 Administrator will give the Plan Sponsor notice of the date that any adjustment to the fee will take place. If the Plan Sponsor does not agree to the adjustment, the Administrator may terminate this Agreement and its services 30 days after the date that notice of the adjustment is given to the Plan Sponsor.

IV. Liability and Indemnity

1. The Administrator does not insure nor underwrite the liability of the Plan Sponsor under the Plan.
2. The Plan Sponsor 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 Administrator.
3. The Plan Sponsor agrees to indemnify the Administrator 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 Administrator to recover benefits under the Plan.
4. The Administrator shall indemnify and hold Plan Sponsor harmless for any and all claims, demands or lawsuits arising out of or related to any act or omission by the Administrator involving gross negligence or willful misconduct with regards to the Administrator's duties under this Agreement.

V. Termination

1. This Agreement shall be for an initial period of one (1) year from the effective date hereof and shall be automatically extended per annual renewal agreement 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 thirty (30) days prior written notice of termination on company letterhead and including the effective date of termination. Written request for termination of all persons covered under the Plan does not constitute termination of this Agreement. Additionally, the Administrator may terminate this Agreement upon thirty (30) days written notice to the Plan Sponsor in the event the Plan Account contains a balance which is insufficient to meet Plan and Plan Sponsor obligations.
3. This Agreement may be terminated by either party with thirty (30) days written notice in the case of a breach of the terms and conditions of this Agreement that are not cured within the thirty (30) day notice period.
4. Upon termination of this Agreement, the Administrator, upon request, shall furnish to the Plan Sponsor claims and payment history and other similar information that would facilitate a smooth transition to any new carrier. The format of this information shall be determined by the Administrator but shall be in

keeping with industry-recognized standards that are compatible with a typical carrier's recordkeeping system.

VI. Relationship between Parties

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

VII. Regulatory Compliance Administration

A. Plan Sponsor Shall

1. Timely notify the Administrator when a covered individual becomes eligible for the Plan and when a Plan participant or other qualifying beneficiary loses coverage due to a COBRA qualifying event.
2. Fulfill all regulatory compliance obligations not otherwise expressly delegated to the Administrator in accordance with the appropriate regulatory provisions and the terms of the Plan, including but not limited to, continuation of coverage under COBRA, compliance with the provisions of HIPAA, as amended, and compliance with any state surcharges required on claims and eligible enrollees.

B. Administrator Shall

1. Mail legally compliant COBRA initial rights notices to covered persons when coverage begins.
2. Within 14 days of the Administrator's receipt of notification of a qualifying event, send to terminated employees and qualifying beneficiaries a notice of rights under COBRA, premium information and due dates, and an election form.
3. Provide COBRA enrollment services, including billing and collection of continuing coverage premiums, monitoring of continuing eligibility, and communication of ongoing eligibility to COBRA participants.
4. Send notice of termination of COBRA coverage to terminated employees or qualified beneficiaries within 60 days before the end of the continuation period or upon the cancellation of COBRA coverage.
5. Maintain records of notices, elections and premium payments and provide status reports to the Plan Sponsor as requested.
6. Provide suggested COBRA contribution rates and apply final COBRA contribution rates sixty (60) days after the beginning of a Plan year.
7. Comply with the Health Insurance Portability and Accountability Act of 1996, as amended ("HIPAA") and with the Plan Sponsor's reasonable policies and procedures regarding data security and confidentiality.
8. Administer eligibility and claim surcharges for the Plan Sponsor as legally required by states with such surcharges.
9. Provide sample Plan document and Summary Plan Description documents to the Plan Sponsor for approval and distribution electronically and/or in writing upon request.
10. Provide Summary of Benefits and Coverage forms to the Plan Sponsor upon request.

11. Make available information programs that will enable the Plan Sponsor to comply with reporting and filing requirements established by the Affordable Care Act including PCORI, Transitional Reinsurance, and requirements under Internal Revenue Sections 6055 and 6066 upon request.
12. Provide initial and annual Medicare D plan creditability analysis, filings with federal regulators, and creditability letters to covered persons.

VIII. Miscellaneous

1. If any provision of this Agreement is held invalid by law or by a court of law, the invalidity will not affect any other provision of this Agreement. The provisions of this Agreement are severable. It is provided, however, that in such a case the parties intend that the basic purposes of this Agreement would be achieved through the remaining valid provisions.
2. The captions and headings throughout this Agreement are for convenience and reference only. The words of the captions and headings will in no way be held or deemed to define, describe, explain, modify or limit the meaning of any provision, or the scope or the intent of this Agreement.
3. Failure by either party to insist upon compliance with any term or provision of this Agreement at any time or under any set of circumstances will not operate to waive or modify that provision or render it unenforceable at any other time whether the circumstances are or are not the same. No waiver of any of the terms or provisions of this Agreement will be valid or of any force or effect unless in each instance the waiver or modification is contained in a written memorandum expressing such alteration or modification and executed by the parties.
4. Neither party may assign any of its rights or delegate any of its performance obligations under this Agreement without the prior written consent of the other party. Any purported assignment of any rights or delegation of any duties contained in this Agreement without the other party's prior written consent will be void and of no force or effect.
5. This Agreement may only be revised by written agreement signed by both parties, except as otherwise herein provided.
6. The parties and their respective representatives will be deemed independent contractors for all purposes under this Agreement. This Agreement shall not be deemed or construed to create the relationship of employer or employee, partnership, or any type of joint venture relationship, between the parties. Except as expressly set forth herein, no party or representative of a party shall have the authority to contract for or assume obligations of any nature in the name of the other party without that party's prior written consent.
7. SBMA will (a) take all reasonable precautions to prevent the unauthorized disclosure of confidential information to parties unrelated to the Plan's administration except as required by a regulatory authority or court or legal process; (b) maintain commercially reasonable computer data safeguards (such as access codes, passwords, secure physical location, secure data back-up and firewall software) in order to protect against unauthorized access, acquisition deletion or alteration of data; and (c) unless otherwise directed, make all administrative data accessible to those members of the Plan Sponsor's workforce who are directly involved in the administration of the Plan, subject to compliance with the HIPAA privacy and security regulation.
8. SBMA will comply with any applicable state licensing requirements in order to perform its duties under this Agreement, including, but not limited to, being duly licensed as a third-party administrator in all jurisdictions requiring the same, and agrees to maintain such licenses throughout the term of this Agreement.
9. This Agreement and the legal relations between the parties hereto shall be governed by and construed in accordance with the laws of the State of California without regard to any principles of conflicts of law that would require the application of the laws of a different state. The parties hereby irrevocably and unconditionally (a) agree that any action or proceeding arising out of or in connection with this Agreement shall be brought only in any state or federal court located in San Diego County, California, (b) consent to

submit to the exclusive jurisdiction of those state or federal courts in San Diego County, California for purposes of any action or proceeding arising out of or in connection with this Agreement, (c) waive any objection to the laying of venue of any such action or proceeding in those state or federal courts in San Diego County, California, and (d) waive, and agree not to plead or to make, any claims that any such action or proceeding brought in any state or federal court in San Diego County, California has been brought in an improper or inconvenient forum.

10. This Agreement supersedes any and all prior representations, conditions, warranties, understandings, proposals, or other agreements between the parties, whether oral or written in connection with the administration of the Plan. This Agreement constitutes the entire agreement of whatsoever kind or nature existing between or among the parties.
11. This Agreement may be executed in counterparts, each of which will be deemed to be an original and all of which taken together will constitute a single instrument.
12. Any notice, demand, communication or payment required under this Agreement will be deemed effectively given when delivered in writing by a commercial delivery service providing verification of delivery or mailed postage prepaid, provided receipt is at least five (5) days after mailing; any mailed communication received more than five (5) days after mailing shall be deemed given when received. Notice shall be sent to the last known address of the party to whom the notice is directed.

This Administrative Services Agreement is agreed to this 1st day of _____ .
[Month] [Year]


Plan Sponsor [Company Name]

By: Name/Title

Signature

Staff Benefits Management, Inc.
Administrator

Frank Crivello, Chief Executive Officer
By: Name/Title



Signature