

**FBSC SERVICE AGREEMENT**  
**FEDERAL COBRA AND/OR HIPAA PORTABILITY SERVICES APPENDIX**

The Employer has independently concluded that one or more of its Benefit Plans that provide medical care ("Health Plans") are subject to the provisions of the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA"), as subsequently amended and/or the portability provisions of the Health Insurance Portability and Accountability Act ("HIPAA") as subsequently amended. Consequently, Employer is required to perform certain acts in order to comply with COBRA and/or HIPAA.

Employer has asked FBSC to assist it with satisfying the Employer's obligations under the aforementioned rules.

The effective date of this Service Appendix is the effective date of the Agreement or if later, the date that both parties have signed this Service Appendix as set forth below.

In consideration for the mutual promises set forth below and the fees set forth below, the Employer and FBSC agree as follows:

<b><u>I. Standard Services</u></b>	<b><u>Fees</u></b>
<ol style="list-style-type: none"> <li>1. Provide General COBRA Notices to health plan participants on a timely basis.</li> <li>2. Provide COBRA Election Forms to Qualified Beneficiaries as needed on a timely basis</li> <li>3. Provide Ineligibility Notices as required on a timely basis</li> <li>4. Process COBRA Election Forms</li> <li>5. Forward Annual Enrollment material to COBRA Participants</li> <li>6. Provide Coupon Books for COBRA Participants</li> <li>7. Collect premium payments from COBRA Participants and remit them to Employer</li> <li>8. Provide COBRA Termination Notices</li> <li>9. Coordinate COBRA Status between Employer and Insurers</li> <li>10. Provide HIPAA Certificates of Creditable Coverage</li> <li>11. Provide Status Reports on a regular basis</li> </ol>	<p style="text-align: center;"><b>Annual Fee: \$350.00</b></p> <p style="text-align: center;"><b>Monthly Administrative Fee: \$10.00 / Per Covered COBRA Participant / Per Month</b></p> <p style="text-align: center;"><b>Per Qualifying Event Fee: \$25.00</b></p> <p style="text-align: center;"><b>Minimum Monthly Fee: \$60.00</b></p>

1. FBSC will distribute its standard General COBRA Notice by first class mail to the last known address of each covered employee and, when required by applicable law, the covered spouse or the covered dependent as soon as reasonably possible but no later than fourteen (14) days after receiving the information necessary to complete and send a General Notice from the Employer.
2. FBSC will distribute its standard COBRA election form ("Election Form") by first class mail to the last known address of the Qualified Beneficiary as soon as reasonably possible but no later than

fourteen (14) days after receiving the information necessary to complete the Election from the Employer, or where applicable, from the Qualified Beneficiary.

3. If FBSC receives notice from a Qualified Beneficiary that a qualifying event has occurred or a Qualified Beneficiary has been determined to be disabled by the Social Security Administration, and such Qualified Beneficiary is not eligible for COBRA for any reason, FBSC will send a notice of ineligibility by first class mail as soon as reasonably possible but no later than fourteen (14) days after receiving notice from such Qualified Beneficiary.
4. FBSC will process the Election Forms submitted by Qualified Beneficiaries in accordance with applicable law and the Employer's instructions. Employer is responsible for providing all information necessary to process election forms.
5. FBSC will send an annual enrollment form to last known address of the Qualified Beneficiary to the extent the Employer has provided the information necessary to complete and distribute the annual enrollment form. FBSC will also process any requested mid-year changes in elections in accordance with the Employer's plan documentation and applicable law.
6. FBSC will notify the Qualified Beneficiary of the COBRA premium, as determined by Employer and the applicable due dates.
7. FBSC will collect premiums from Qualified Beneficiaries (or third parties on behalf of Qualified Beneficiaries where applicable). All Premiums collected by FBSC in accordance with this Service Appendix will be deposited into an account maintained by FBSC. FBSC will send to Employer all premiums collected in accordance with this Service Appendix, reduced by a 2% administration fee, by the 10th day after the end of month in which the premiums were collected. FBSC will submit premiums to appropriate third parties upon written instruction from the Employer. FBSC will retain as an additional administrative fee any interest earned on such funds while held in a FBSC maintained account.
8. FBSC will distribute by first class mail to the last known address of the Qualified Beneficiary a notice indicating that COBRA coverage is terminating or has terminated. The notice of termination will be sent as soon as reasonably possible but no later than a reasonable amount of time after COBRA coverage has ended.
9. FBSC will provide responses to inquiries by providers and/or insurance carriers regarding coverage status of Qualified Beneficiaries. All responses will be based solely on the information provided by Employer and maintained by FBSC in accordance with this Service Appendix.
10. Except where the Employer has entered into a written agreement with an insurance carrier, FBSC will distribute its sample Certificate of Creditable Coverage ("Certificate"), as required under HIPAA, to each Covered Individual who loses active coverage and COBRA coverage under the applicable Health Plans upon as soon as possible after receiving the information necessary to complete the Certificate from the Employer. FBSC will also send the Certificate following a request by a Covered Individual (or formerly Covered Individual) provided that the request is made within 24 months of the date that coverage was lost.
11. FBSC will forward a copy of all applicable correspondence between FBSC and COBRA Participants as required or requested. Employer is responsible for reviewing the reports submitted by FBSC and notifying FBSC of any errors of which it is aware within a reasonable period of time after reviewing them.

Employer is responsible for all other duties related to the Plans not otherwise set forth above.

<u>II. Optional Services</u> These are provided only upon written request of the Employer.	<u>Optional Fees</u>
1. Benefit Plan consulting, including but not limited to, discussions regarding Benefit Plan design, compliance and communications.	\$80 per hour
2. Requested changes to any standard administrative procedures established by FBSC.	\$80 per hour
3. Exchanging information by means other than the standard procedure established by FBSC. FBSC will provide Employer with several options for transferring data, including diskette, model file transfer or if the foregoing transfer methods are not available for the Sponsor's payroll system, in a mutually acceptable format.	\$200 per hour

IN WITNESS WHEREOF, Employer and FBSC have caused this Service Appendix to be executed in their names by their undersigned officers, the same being duly authorized to do so (sign and date only if effective date is different from Effective Date of Agreement).

FBSC

Signature Mary Jones

Title MANAGER

Date 1-15-20

Employer

Signature H. B. Smith

Title Executive Director

Date 1/15/2020

