

COBRA Administrative Services Acknowledgement

By [EMPLOYER] (hereinafter "Employer")

This Agreement shall be effective as of the Effective Date of the UnitedHealthcare Insurance group policy(s) or upon the acceptance of this Acknowledgement, whichever is later.

WHEREAS, the Employer desires UnitedHealthcare Benefit Services ("UnitedHealthcare") to perform certain services in connection with the continued health insurance coverage requirements originally imposed by P.L. 99-272, the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended, (hereinafter "COBRA"); and

WHEREAS, UnitedHealthcare is willing to perform such services;

NOW, THEREFORE, in consideration of the mutual promises contained in this Agreement, the parties agree as follows:

Section I: Definitions

The following definitions apply to this Agreement:

- (a) **"Internal Revenue Code"** means the Internal Revenue Code of 1986 as amended.
- (b) **"Monthly Contribution Amount"** means the amount the Qualified Beneficiary must contribute to continue coverage under the Employer's Benefit Plan maintained by the employer.
- (c) **"Plan"** means the group health plan portion of the employee welfare benefit plan established by the Employer or by employers participating in the Employer's group health program which is subject to the continuation requirements of COBRA.
- (d) **"Qualified Beneficiaries"** means those individuals who have experienced a Qualifying Event as defined by COBRA and who have elected COBRA continuation coverage under the Employer's Plan.
- (e) **"ERISA"** means the Employee Retirement Income Security Act of 1974 as amended.
- (f) **"Group Policy"** means the medical insurance policy initially issued by UnitedHealthcare to the Employer and/or Plan.
- (g) **"PHI"** means Personal Health Information.

Section II: Services To Be Performed By UnitedHealthcare

- (a) With respect to COBRA, during the continuance of this Agreement, UnitedHealthcare will:
 - (i) provide the Employer access to a COBRA Administration Manual which includes procedures to be followed by the Employer in the administration of its COBRA continuation program;
 - (ii) provide notification of the right to elect COBRA continuation coverage to persons who have been identified to UnitedHealthcare by the Employer as having experienced a Qualifying Event;
 - (iii) bill the Employer's Qualified Beneficiaries for the Monthly Contribution Amounts;
 - (iv) collect from the Qualified Beneficiaries the Monthly Contribution Amounts for group health coverage;
 - (v) notify Qualified Beneficiaries regarding any available conversion privilege prior to the conclusion of the maximum continuation period as required by COBRA;
 - (vi) provide plan COBRA reports containing aggregated information via www.uhcservices.com web site;

- (vii) unless otherwise notified in writing, UnitedHealthcare will be entitled to conclusively presume that a Qualified Beneficiary's eligibility for COBRA continuation of coverage under the Plan has not terminated by reason of coverage under another group health plan or by becoming eligible for Medicare;
- (viii) UnitedHealthcare must be given written notice of any changes in the Monthly Contribution Amounts, pursuant to federally mandated COBRA time frames; and
- (ix) UnitedHealthcare may accept amounts sent by Qualified Beneficiaries which are less than the Monthly Contribution Amount. Partial payments may, at the discretion of UnitedHealthcare, be returned to the Qualified Beneficiary.
- (x) UnitedHealthcare will provide the first level of appeal review in accordance with COBRA to communicate approval or denial of the first level appeal.

Section III: Duties and Responsibilities of the Employer

(a) COBRA

- (i) Employer will notify UnitedHealthcare, within the federally mandated COBRA time frames, using the methods set forth in the COBRA Administration Manual of persons who have experienced a Qualifying Event. The notification will be completed using the online submission process or by completing UnitedHealthcare's COBRA/HIPAA Notification Form to be delivered by fax or mail;
- (ii) Employer will have final authority to decide discrepancies, including matters of clerical error, concerning Qualified Beneficiaries' eligibility for continued coverage under the Employer's Plan;
- (iii) Employer will furnish records, as required, and information in its possession and control to UnitedHealthcare needed to perform its function under this Agreement;
- (iv) Employer will submit fully complete, executable implementation materials within thirty (30) days of the issuance of the Group Policy plan to UnitedHealthcare to ensure timely implementation. Missing or incomplete implementation materials can result in a change in the plan's effective start date, or termination of the plan.
- (v) Employer agrees to notify UnitedHealthcare, in a timely manner of an address change, or any Employer sponsored plan design amendment(s) including rate changes affecting its benefit Plan(s);
- (vi) Employer is responsible for remitting premium payments received from UnitedHealthcare to corresponding insurers in a timely manner; and
- (vii) UnitedHealthcare will not be held responsible for any COBRA recordkeeping and administration services prior to UnitedHealthcare being contracted as Plan Service Provider.

Section IV: Indemnification

- (a) The Employer agrees to indemnify and hold UnitedHealthcare harmless against any penalty which is or may be imposed upon UnitedHealthcare under ERISA and pertinent regulations there under or the imposition of an excise tax upon UnitedHealthcare under Section 4980B of the Internal Revenue Code, or any other penalties which may be imposed by law or regulation in connection with COBRA but only to the extent that such claims are caused by any act or omission on UnitedHealthcare's part, which in the aggregate, constitutes a failure on UnitedHealthcare's part to perform UnitedHealthcare's obligations under this Agreement with reasonable diligence and that degree of skill and judgment possessed by a similar entity experienced in furnishing claim administrative services to plans of similar size and characteristics as the Plan, provided that UnitedHealthcare shall not be liable to you for actions taken in good faith..
- (b) If any information given to UnitedHealthcare concerning persons who have been identified as having experienced a Qualifying Event is unreadable and/or illegible UnitedHealthcare will notify the Employer. UnitedHealthcare's obligation to send the COBRA coverage continuation notices will not begin until

UnitedHealthcare has received a readable form concerning individuals who have experienced a Qualifying Event.

Section V: Miscellaneous

Scope of Services

- (a) Employer must have UnitedHealthcare as their medical carrier and their COBRA plan design must fit within the UnitedHealthcare COBRA standards in order to be administered in accordance with this Acknowledgement.

Privacy and Security and Proprietary Information

- (a) As directed and authorized by Employer, UnitedHealthcare may receive information from Employer regarding other group health plans for purposes of performing data analysis. UnitedHealthcare may also use PHI to report violations of law to appropriate Federal and State authorities, consistent with 45 CFR 164.502(j)(1).
- (b) UnitedHealthcare shall maintain separate records with respect to the services specified herein for seven (7) calendar years following any year in which it performs services hereunder, or longer, if such period is required by applicable law.
- (c) Proprietary Business Information will not be disclosed to any person or entity other than either party's employees, subcontractors, or representatives needing access to such information to administer the Plan or perform services under this Agreement.

Section VI: General Provisions

- (a) Employer as Plan Administrator/Plan Sponsor shall retain final authority and ultimate fiduciary responsibility for the Plan and its operations.
- (b) Employer shall provide to UnitedHealthcare, in a timely manner and in a form specified by UnitedHealthcare, any reports or information UnitedHealthcare deems necessary for its effective performance of its obligations under this Acknowledgement. UnitedHealthcare shall not be liable for any delay in UnitedHealthcare's performance which is solely due to the failure of the Employer to furnish required information.
- (c) Amendments to this Agreement may be made by UnitedHealthcare by providing notice to Employer at least thirty (30) days prior to the effective date of any amendment. No waiver of any of the terms and conditions of this Agreement shall be valid unless contained in a written memorandum and signed by a person duly authorized to sign such waiver.
- (d) The services to be performed by UnitedHealthcare under this Agreement may be performed by UnitedHealthcare or by any of its affiliated companies or by any subcontractor selected by it or them.
- (e) Employer's failure to sign this Acknowledgement within thirty (30) days of the issuance of the Group Policy shall be deemed acceptance by Employer.
- (f) This Agreement shall be governed by applicable federal law and the laws of the State of Minnesota.

Section VII: Termination

- (a) This Agreement will continue in effect until terminated by the earliest of the occurrence of the following events:
 - (i) upon written notice by either party upon ninety (90) days notice;
 - (ii) Employer's failure to comply with any of the requirements set forth in this Acknowledgement;
 - (iii) Employer's failure to pay any premiums due pursuant to the Employer's group policy; or
 - (iv) discontinuance of Employer's Plan.

(b) In the event that the Group Policy is discontinued for any reason other than those set forth in Section VII(a), above, this contract shall remain in full force and effect with the following additional provisions:

- (i) Employer will pay fees to UnitedHealthcare in accordance with its standard fee schedule at the time of the discontinuance of the Group Policy; and
- (ii) Employer will execute UnitedHealthcare's standard COBRA Administrative Service Agreement at the time of the discontinuance of the Group Policy.

Payment of premium for the Group Policy shall be deemed acceptance of this Acknowledgment in the event it is not executed within thirty (30) days of the issuance of the Group Policy.

EMPLOYER NAME VARIABLE

By

Date

Authorized Signature

Name

Title