



Benesyst, Inc.

Administrative Services Agreement for Third-Party Enrollment, Eligibility and Notification Management for Actives and Retirees

This Services Agreement (the "Agreement") is entered into effective June 1st, 2010 for BeneSmart Services by and between San Mateo County with an address of 455 County Center, 5th Floor, Redwood City, CA 94063 ("Employer") and Benesyst, Inc. with an address of 800 Washington Avenue North, 8th Floor Minneapolis, Minnesota 55401 ("Benesyst").

Recitals

WHEREAS Employer maintains certain employee benefit plans ("Plans") and in connection with these Plans wishes to maintain accurate accounts with benefit plan vendors and simplify eligibility, billing controls, and reconciliation processes.

WHEREAS Employer wishes to maintain accurate billing controls and billing reconciliation processes for all such Plans.

WHEREAS Employer wishes to have access to accurate and comprehensive billing and reporting relative to these Plans.

WHEREAS Employer desires to retain Benesyst, which is in the business of providing Eligibility, billing management, and compliance-related notification services which accomplish these objectives, to provide such administrative services.

NOW, THEREFORE, in consideration of the foregoing and the mutual promises contained herein, and subject to the terms and conditions set forth below, Employer and Benesyst hereby agree as follows.

Relationship of the Parties

This Agreement is between Employer and Benesyst. While certain reporting or financial functions may be conducted between Business Units of Employer and Benesyst, Employer is responsible for ensuring compliance with this Agreement among any of its Business Units. Benesyst, in performing its responsibilities under this Agreement, is acting only as an independent contractor of Employer and the rights and responsibilities of each of the parties shall be determined in accordance with this Agreement.

Employer hereby delegates to Benesyst the authority to act on behalf of Employer to the extent necessary for Benesyst to perform services identified under this Agreement. Any determination that Benesyst makes in the course of providing such services shall be subject to the right of Employer to review and reasonably modify such determination. Any modification by Employer



of a Benesyst determination must be in writing. In performing all services identified under this Agreement, Benesyst shall comply with all applicable state and federal law.

For purposes of ERISA and any applicable state and federal legislation of a similar nature, Employer or such person as it may designate shall be deemed the Plans' plan administrator and fiduciary, for all purposes. Employer shall have the discretion to establish eligibility, coverage, and benefits under the Plans, and to determine all matters relating to the interpretation of the Plans. Any determination by Employer shall be in writing, and final, binding, and conclusive on all parties.

Benesyst warrants it has the qualifications, experience, and facilities to properly perform services under this Agreement in a timely fashion and in accordance with the terms of this Agreement and applicable law. The services to be performed by Benesyst are benefit services as specifically set forth in the sections entitled "BeneSmart Responsibilities of Benesyst" and "Reports and Data" of this Agreement.

The services Benesyst will perform under this Agreement are ministerial services. Benesyst is not a fiduciary under ERISA, nor is Benesyst the named fiduciary or the plan administrator, as defined in ERISA.

Definitions

ACH TRANSFER. An ACH Transfer is an Automated Clearing House transfer of money, generally from Employer to the Carrier and/or Benesyst.

BENESMART® SERVICE. Benefit Enrollment, Notification, Eligibility and Systematized Management of Active, Retired and Terminated employees (BENESMART®) is a core set of services including eligibility management, carrier billing management and consolidation, and a set of optional services as specified in this Agreement, including any subsequent amendments.

BILLING. A Billing is a list of employee-specific charges and/or credits prepared by Benesyst on behalf of Employer and billable to Employer for coverage provided by a specific Carrier.

BUSINESS UNIT. A Business Unit is any division, subsidiary, branch, affiliate or other business unit under the centralized management of Employer for which Benesyst performs administrative services. It is intended that the benefit administrative services, as described in this agreement, apply to all of Employer's Business Units.

CARRIER. A Carrier is any entity that bills separately for benefits-related services and that is listed in the Schedule of Employee Benefit Plans/Carriers attached hereto. A carrier can be an insurance company, a health maintenance organization, a third party administrator, another vendor providing services or insurance coverage under a contracted arrangement with Employer, a "stop-loss" insurer, excess risk insurer, reinsurance company, prescription drug program or company, preferred provider organization, employee assistance program, or other entity that either bills separately for its services and/or for whom eligibility needs to be separately reported.



COBRA. COBRA means the health care continuation provisions of the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended, and the guidance issued thereunder.

CODE. Code means the Internal Revenue Code of 1986, as amended, and the guidance issued thereunder.

CONFIDENTIAL INFORMATION. Confidential Information means any information about Benesyst's or Employer's services not generally known in Benesyst's or Employer's line of business or readily ascertainable by proper means by others, including Benesyst's Employer's competitors or the general public, and includes trade secrets. Confidential Information includes information about the products and services of Benesyst or Employer, including information relating to research, development, data management, engineering and process flows related to Benesyst services. Confidential Information also includes, but is not limited to, information about Benesyst's technical data, research results and reports, products and product plans, services and service plans, domain names, developments, inventions, processes, formulas, technology, designs, engineering, hardware configuration, personnel information, computer programs, software and software documentation. Confidential Information also includes any data relating to Employer's employees, retirees and continuees, and their dependents, beneficiaries, coverages or Events.

CONTINUATION SERVICES. Continuation Services are a set of services relating to compliance with continuation of coverage of Employer's group health and other applicable plans.

DATABASE. Database means any electronic data repository used to store employee and/or dependent and/or coverage-related information.

ELIGIBILITY. Eligibility refers to an employee's and/or the employee's dependent's status related to whether or not he/she is entitled to become covered under a particular benefit plan and, if covered, the level or tier of coverage actually in effect, and a record of all relevant starting and ending dates as well as other variables having an impact on eligibility for participation in the plans or programs of Employer.

ERISA. ERISA means the Employee Retirement Income Security Act of 1974, as amended, and the guidance issued thereunder.

EVENT. An Event, for purposes of BeneSmart Services, is an occurrence in time which triggers a specific notification or other administrative service. The Event can apply to all employees or specific Plan participants, or a class of each, or a combination of both, as agreed, at a specific point or points in the calendar, Plan, or fiscal year of Employer. Likewise, an Event can be triggered by a specific occurrence in the life of an employee or Plan participant or based on birthdates, date of hire, or other point of reference.

EVENT CODE. An Event Code is a numeric or alphabetic symbol used to indicate an Event and which triggers processes related to an Event.



BeneSmart Responsibilities of Benesyst

In addition to the services detailed in the sections of this Agreement entitled “Reports and Data” and any schedules attached to this Agreement, Benesyst agrees to do the following, in exchange for compensation as described in the section entitled Fees and Terms of Payment of this Agreement and any attached Schedules and subject to Employer meeting its responsibilities under this Agreement:

- A. To collaborate with the Employer in accomplishing the implementation of all services as stated in this agreement. In so doing, to provide an implementation plan, timeline and status communications related to the implementation of services as well as, at the conclusion of implementation, to facilitate a transition to ongoing administration.
- B. To provide Employer with electronic file specifications to assist Employer in transmitting the employee, dependent, and coverage data necessary to populate the Database for purposes of administering Plan Eligibility and consolidating Employer Billing for Plans and any optional services agreed to by both parties in this Agreement. Benesyst will provide notice to Employer at least 90 days in advance of any changes in software or other transmission requirements.
- C. To create and make available a Sickpay HealthPlan Analyzer for Retirees (SHARet) which is designed to calculate the contribution options available to retirees based on their remaining unused sick days at the time of retirement. This application is designed to enable Employer staff to present applicable options to the employee nearing retirement, and based on the hours-usage options chosen present the expected expiration of San Mateo County contributions towards the retiree’s health plan costs. SHARet is also designed to track remaining hours, to credit (as applicable) interest and to present Open Enrollment options each year.
- D. Subsequent to Employer entries into the employee record from selections using SHARet, to configure BeneSmart® to present and administer the benefit tiers available to the retiree as well as display the Employer credit upon the Employee making a selection.
- E. To cooperate with and to provide reasonable initial assistance to Employer in complying with Benesyst’s electronic file specifications and formatting so as to achieve accurate transmission of the required data elements.
- F. To provide reasonable assistance to Employer in having all of its Carriers transmit Billing and Eligibility information directly to Benesyst initially and at the time of any Carrier or Plan change. If any Carrier is unable or unwilling to transmit such information directly to Benesyst, Benesyst will collaborate with the employer to obtain such information in the most cost effective manner.
- G. To import the agreed-upon file of electronic data promptly and at the agreed-upon frequency so that information in Benesyst’s Database remains current and Events can be processed in a timely fashion.



- H. To allow coverage start or end dates to be reported by Employer in advance, currently, or retroactively, consistent with the time limits contractually agreed to between Employer and its Carriers as to retroactive changes.
- I. To structure system processes so that coverages are started or ended on an automated basis based on Event Codes as agreed upon by the parties and reported by Employer.
- J. To fully coordinate Eligibility with Billing, accounting, and all reporting.
- K. To process and transmit annual or open enrollment-based eligibility and other permissible changes directly to each Carrier.
- L. To process and transmit all mid-year life-event-based eligibility changes permitted in accordance with the Employer's Cafeteria Plan and the Code directly to each Carrier.
- M. To transmit coverage terminations directly to each Carrier.
- N. To send a standard informational letter to each applicable Carrier to notify said Carrier that Benesyst will manage all Eligibility and payments directly. This letter will follow an informational letter from the Employer. Benesyst will operate on a self-billing basis for active enrollees, COBRA continuees, retirees and other self-billing continuees, as applicable. If any Carrier is unable or unwilling to operate on a self-bill basis, additional fees may apply.
- O. To resolve all questions or issues regarding Eligibility or Billing directly with the applicable Carriers to the fullest extent reasonably possible and to inform Employer of any unresolved questions, issues, or disputes. Employer shall have discretion to make final determinations regarding all questions, issues or disputes involving the Carriers.
- P. To process and transmit complete Eligibility and Billing data to all applicable Carriers, as agreed. As the Employer will generally send Benesyst a consolidated payment in the form of a check, wire transfer, or ACH Transfer, the payment will be accurately allocated and transmitted promptly, and in no event later than five (5) business days after receipt, by Benesyst to each applicable Carrier along with correlating allocation report and Eligibility data. To the extent that the payment from Employer includes fees for the services provided by Benesyst as contained in the Billing to Employer, Benesyst will retain such fees. Benesyst represents that the funds are held in a non-interest bearing checking account and that it does not earn any float in connection with transmitting funds to the Carriers.
- Q. To have all Carrier notification for late payment, payment discrepancy and payment support be directed to Benesyst for processing, except that the Employer will remain responsible for its own lateness, should this occur.
- R. To maintain Database(s) of coverage data and coverage history on all active employees and retirees and to make that data available to Employer in the form of standard reports and/or by other means as agreed.



- S. To facilitate coordination and integration of all other services Benesyst has agreed to provide Employer so as to minimize Employer's involvement and maximize efficiency.
- T. To resolve all questions or issues regarding enrollment and permitted self-serve changes directly with the applicable participant(s) to the fullest extent reasonably possible.
- U. To maintain and archive information and responses entered onto the Benesyst BeneSmart portal in substantiation of any life change event to comply with federal or state law with respect to changes in coverage.
- V. To update any employee, dependent, or coverage information in the agreed-upon electronic format unless otherwise agreed to and confirmed in writing so that the information can be promptly and efficiently processed by Benesyst.
- W. In the event of any security breach by Benesyst that violates a state or federal security breach notice law [(including, without limitation, the provisions of California Civil Code Section 1798.82-1798.84)], to provide notices to affected individuals in full compliance with such laws. Benesyst also will promptly notify Employer of any such security breach and describe the steps taken to comply with such laws.
- X. To maintain all appropriate regulatory approvals necessary to provide the services specified in this Agreement.
- Y. To make comprehensive online reporting available to those Employer staff members who have been granted the proper security roles by Employer on Benesyst's online secure portal. All such reporting will be encrypted and password-protected and will be easy-to-read and download.
- Z. To provide third-party FSA and COBRA administrative services to Employer per Administrative Agreements signed February 4th, 2010.
- AA. To provide all related customer service, as described in the Assumptions section of the Schedule of Fees. Customer service hours are currently Monday through Friday from 6 AM to 5 PM PST, but are subject to change with notification to the Employer.
- BB. To provide initial positive enrollment for all active employees, including dependent audit and verification based on dependent eligibility documentation received from the employee, for Open Enrollment 2011.
- CC. To maintain and archive all dependent eligibility documentation on an ongoing basis, including but not limited to: marriage certificates, birth certificates, affidavit of over-age dependents, and affidavit of domestic partnership, as received digitally from the Employer.
- DD. To provide soft audit capabilities within BeneSmart consisting of a series of questions that are asked of the employee during the enrollment process to verify their dependent's eligibility.



- EE. To provide 4 contiguous days in 1 week during the first annual enrollment to meet with employees at various locations to assist with questions regarding enrollment using BeneSmart.
- FF. To make the following customized reports available on BeneSmart for the Employer's use as needed: Medicare eligibility report, expiration of sick leave report, over-age dependent report, new hire report, termination report, as well as reports of pending approvals (EOI not yet received, eligibility documentation not yet received).
- GG. To provide benefits statements for active employees and retirees which include employee and employer costs. Retiree statements will include sick leave balance.
- HH. To train Employer's HR Team on system including reporting functionalities. Training will include electronic versions of both HR and Employee user guides.
- II. To ensure Employer is made aware of any Benesyst contact changes in a timely manner.
- JJ. To ensure that employees can enroll fixed dollar values for Employer's 457(b) Plan.
- KK. To ensure the BeneSmart® system will capture and calculate the premium component to premium cost share.
- LL. Benesyst will ensure that all required BAA or Trading Partner agreements between the Carriers and Benesyst are signed prior to the transmission of any PHI data.
- MM. To ensure an urgent enrollment process is set in place with each applicable carrier.
- NN. To configure the BeneSmart® system so the Employer is prohibited from processing events or changes that are outside of the Carrier's retro period. The exception is when the Employer receives appeal approval from the carrier prior to Benesyst processing the event or change.

The discrepancy reports that are received by Benesyst from the Carriers will generally be turned around within 5 business days and in no case more than 10 business days.

BeneSmart Responsibilities of Employer:

Employer agrees to do the following:

- A. To relay all information necessary for the implementation of automated benefit management services including all information associated with Benefits Carriers, Plans, Eligibility Rules, Billing Rules, Payroll Deduction Rules, content, descriptions, and other relevant information accurately and completely, by the dates stated within the implementation timeline agreed upon by Benesyst and the Employer, recognizing that late or inaccurate information can jeopardize completion by the go-live data and result in additional costs to the Employer. Employer also recognizes that Carriers require at least one month of data interface testing time from the time they receive initial live



(production) data for the first time from Benesyst with respect to the Employer before ID cards can generally be issued.

- B. To develop and provide Benesyst with an electronic file containing the specified data elements according to the specifications and formatting requested by Benesyst.
- C. To export the agreed-upon file containing current, accurate, and complete electronic data on a timely basis and at the agreed-upon frequency so that information in Benesyst's Database remains current and Eligibility, Billing, and Events can be processed in a timely fashion.
- D. To request, in writing, and assure that all existing and future Carriers coordinate Billing and Eligibility directly with Benesyst. Benesyst will operate on a self-billing basis for active employees, COBRA continuees, retirees and other direct-billed continuees, as applicable. To ensure that Benesyst receives Eligibility and Billing data files or data exception files back from Carriers on at least a monthly basis to ensure data alignment. If Carriers are unable to comply with this requirement, and if all Billing is forwarded by a Carrier to the Employer, Employer, at a minimum, will forward to Benesyst a copy of this monthly Billing.
- E. To process and transmit complete consolidated payment received by Benesyst in the form of a check, wire transfer, or ACH Transfer to all applicable Carriers, in the time frame and with the disclosures described in subparagraph P of the immediately preceding section of the Agreement. To the extent that the Billing from Benesyst to Employer includes fees for the services provided by Benesyst, Employer agrees that Benesyst will retain such fees.
- F. To clearly communicate any benefit, Eligibility or other relevant change, including changes in rates, Carriers, Plans, Tiers, Employer contribution/share, etc., or increase or decrease in the optional services provided by Benesyst, in writing to Benesyst in accordance with the implementation timeline, understanding that delays can affect process dependencies resulting in late enrollment, ID card issuance delays and added costs from Benesyst. Changes in Carriers, Plans, tiers or rates must generally be received 60 days prior to the start of Open Enrollment the first and subsequent years, with the exception of rate changes for existing Plans and tiers, which can be submitted before 45 days prior to open enrollment beginning with the second year under Benesyst administration.
- G. To reimburse Benesyst at Benesyst's hourly rate as stipulated in the Schedule of Fees for extra services provided in the event that inaccurate or incomplete information is communicated to Benesyst that necessitates additional or duplicative communication or record keeping functions, or for the management of data transmitted on paper beyond the setup period.



- H. To provide, in exchange for Benesyst's services, compensation as described in the section entitled Fees and Terms of Payment and Term and Termination of Agreement and any attached Schedule of Fees.
- I. To allow Benesyst to list Employer as one of its new clients on the News and Events area of its website.

Fees and Terms of Payment

Employer agrees to pay total fees for implementation and ongoing administration for all services as in the Schedule of Fees at the end of this Agreement. Under the terms of this Agreement Benesyst will begin implementation work necessary to deliver services on the agreed upon date. Employer will pay for the implementation services utilized, as reasonably determined by Benesyst, if services are cancelled at any point during the implementation process.

Employer also agrees to pay total fees for ongoing administration as set forth in this Agreement beginning with the month in which the first Open Enrollment begins. Benesyst will add its PEPM fees to the Employer's monthly Consolidated Billing indicating the total service fees due for the following month. Fees for that month will be payable based on the most recent Employer eligibility data received by Benesyst prior to invoice preparation. Employer will pay Benesyst the stated amount, as billed, by the due date for the respective month's Consolidated Billing. (See Schedule of Fees.)

Each month, in conjunction with the Billing for all Carriers, Benesyst will provide a Billing for its own services per the Schedule of Fees included with this Agreement. Employer will pay Benesyst on a timely basis simultaneously with the timely payment of all other applicable Carriers.

It is Benesyst's standard process to issue invoices approximately 30 days prior to the due date. Invoices that are not paid within 10 days after the due date will be subject to an interest charge of 1.5% per month calculated on the unpaid balance until paid, to the maximum extent permitted by law. Please refer to the Schedule of Fees at the end of this Agreement.

Charges for shipping and handling beyond the scope of this Agreement are payable within seven days of the invoice date.

Separate fees may be chargeable for printed materials, for additional administrative tasks such as payroll cycle changes after the annual election date, and for non-standard reports, as agreed in writing.

Benesyst reserves the right to charge the Employer its prevailing hourly rate if, after the second month of service, inaccurate or incomplete data is communicated to Benesyst that necessitates duplication of administrative functions. This also holds true if data agreed to be communicated electronically is instead communicated by other means or in a format which causes the need for manipulation, adjustment, or reconciliation beyond that normally performed for Benesyst's BeneSmart Services customers.



New fees will be payable as agreed in the amendment, sub-agreement, or agreement which refers to them.

Rate Guarantee

Benesyst guarantees the rates as shown on the Schedule of Fees for BeneSmart® services through May 31st, 2012. Benesyst has the right to change the Schedule of Fees as of June 1st 2012 and as of each Agreement anniversary thereafter, by giving at least 90 days advance written notice to Employer, in writing, via email.

Reports and Data; Record Ownership

Benesyst will provide Employer with all data necessary for the financial management and administrative control of the Plans including Eligibility, Billing, and other accounting reports on a monthly and annual basis or as otherwise mutually agreed by the parties. Such reports will be in the electronic or printed format used by Benesyst under its standard administrative procedures, unless otherwise agreed to by the parties. Records and reports provided by Benesyst to Employer will be maintained by Employer or its Business Units as agreed.

The data contained in all documents, records, and reports, including data recorded in Benesyst's data processing systems (hereinafter "Records") maintained by Benesyst shall at all times be the property of Employer, subject to Benesyst's right to possession and use during the continuance of the Agreement and Benesyst's right to maintain such Records thereafter in such form and for such period of time as Benesyst normally maintains such Records.

Term and Termination of Agreement

- A. The initial term of this Agreement shall commence on June 1, 2010 for BeneSmart Services and shall continue and remain in effect until May 31, 2012, unless terminated earlier in accordance with the terms of this Agreement. Thereafter, the Agreement will automatically renew on a year-to-year basis unless and until such time as this Agreement is terminated.
- B. Either party may terminate this Agreement without cause or reason by giving ninety (90) days prior written notice to the other party.
- C. The party specified below may terminate this Agreement immediately, or at a later date as set forth below, by giving notice in writing to the other party, if at any time during the term:
 - 1) it is established that either party needs and has revoked, had suspended or has not secured, a license, governmental approval or exemption in accordance with applicable laws or regulations in order to enter into or perform this Agreement;



- 2) either party materially breaches this Agreement in any manner where such material breach continues for a period of thirty (30) days after written notice is given to the breaching party, specifying the nature of the breach and requesting that it be cured;
 - 3) Benesyst fails to meet, in a material respect, performance standards set forth in this Agreement for more than two (2) consecutive quarters;
 - 4) either party (the "bankrupt party") shall apply for or consent to the appointment of a receiver, trustee, or liquidator of all or a substantial part of its assets, file a voluntary petition in bankruptcy, make a general assignment for the benefit of creditors, file a petition or an answer seeking reorganization or arrangement with creditors or to take advantage of any insolvency law, or if an order, judgment or decree shall be entered by any court of competent jurisdiction, on the application of a creditor, adjudicating the bankrupt party bankrupt or insolvent or approving a petition seeking reorganization of the bankrupt party, or of all or a substantial part of its assets, and such order, judgment or decree shall continue unstayed and in effect for a period of sixty (60) consecutive days; then in case of any such event, the term of this Agreement shall expire, at the option of the party that is not the bankrupt party, upon ten (10) days written notice to the bankrupt party; or
 - 5) Without the written consent of the other party either party delegates substantive responsibilities under this Agreement.
- D. This Agreement shall automatically terminate if Employer terminates all applicable Plans.
- E. Upon the receipt of any notice terminating this Agreement, Benesyst shall:
- 1) immediately stop all work previously authorized and give prompt written notice to, and cause all of its subcontractors to cease all related work; and
 - 2) Upon payment of all outstanding invoices and invoices for other work already performed, use its best efforts to cooperate with, and release all relevant records, books and files to Employer or such other third party as Employer directs, to affect the orderly transfer of Plan documents and services.
- F. There shall be no termination charges for services not yet provided. Employer will be responsible for payment of authorized services already provided by Benesyst but not yet invoiced. Upon payment of all Benesyst's invoices, Employer shall be entitled to the benefit of all work for which it has paid.

Notices

All notices, requests, demands, and other communications required to be given hereunder shall be in writing and shall be deemed to have been duly given one day after delivery by hand or via a nationally recognized overnight courier or five days after mailing, certified or registered mail,



return receipt requested, or by other method as specified in this Agreement, to the party for whom intended at the address specified in this Article. Either party may designate an alternate address for notices by giving written notice thereof in accordance with the provisions of this Article.

Notices to Benesyst. All notices to Benesyst shall be directed as follows:

**Benesyst, Inc.
800 Washington Avenue North
8th Floor
Minneapolis, MN 55401
Attn: Robert Contin, CEO,
cc: Irene Holm, CFO**

Notices to Employer. All notices to Employer shall be directed as follows:

**County of San Mateo
455 County Center, 5th Floor
Redwood City, CA 94063
Attn: Peter Bassett**

General Provisions

Benesyst shall use that degree of care and reasonable diligence in the exercise of its duties under this Agreement that an administrator of claims under an insured or self-funded employee benefit plan would use acting in like circumstances and familiar with such matters.

Neither party may assign any of its rights under this Agreement without the prior written consent of the other party. Benesyst and Employer shall in any event remain fully liable for all of their obligations under this Agreement. However, upon written notice to the other party, either party may assign this Agreement to a successor in title to substantially all of its business or assets. Subject to the foregoing, all of the terms and provisions of this Agreement shall be binding upon and inure to the benefit of, and be enforceable by, the successors and permitted assigns of Employer and Benesyst.

Except to the extent set forth in the preceding paragraph, substantive responsibilities under this Agreement may not be delegated or subcontracted without providing advance notice of at least 90 days to the other party. If the delegee or subcontractor is not acceptable, the Agreement may be immediately terminated in accordance with the "Term and Termination" section of the Agreement.

Except with respect to a change in the Schedule of Fees, effected by communication from Benesyst to Employer in accordance with this Agreement, no modification, waiver, or



amendment of any term or condition of this Agreement shall be effective unless and until it shall be reduced to writing and signed on behalf of Benesyst and Employer.

Employer shall act for and on behalf of any of its Business Unit's Plans in all matters pertaining to this Agreement, and every act done by Employer, agreement made between Benesyst and Employer, or notice given by Benesyst to Employer or by Employer to Benesyst, shall be binding on any such Business Unit.

Except to the extent federal law (including but not limited to, ERISA) applies, this Agreement shall be governed by and interpreted in accordance with the laws of the State of California; provided, however, that ERISA shall exclusively govern and control all matters relating to the Plans, and ERISA shall supersede and preempt any and all state laws, including those of the State of California, relating to the Plans.

The parties acknowledge and agree that the language used in this Agreement is, and will be deemed to be, the language chosen by the parties to express their mutual intent, and no rule of strict construction will be applied against either party.

The parties agree that neither party will be in default or to have breached an obligation under this Agreement or be liable for damages by reason by any circumstance or delay resulting from any cause beyond its control.

This Agreement is the final, complete and exclusive agreement of the parties with respect to its subject matter and supersedes all prior arrangements, agreements, plans and discussions between the parties regarding that subject matter. No modification of, or amendment to this Agreement, will be effective unless in writing and signed by both parties. The failure by either party at any time to enforce any of the provisions of this Agreement or any right or remedy shall not constitute a waiver of such provision, right, or remedy or in any way affect the validity of this Agreement. The waiver of any default by either party shall not be deemed a continuing waiver, but shall apply solely to the instance to which such waiver is directed. No waiver shall be effective unless in writing and signed by the party against whom enforcement is sought.

Performance Guarantees/Audit Rights

- A. Employer reserves the right to have the Benesyst records which relate specifically to Employer inspected and audited to ensure compliance with this Agreement. At Employer's option or upon Benesyst's written demand, such audit will be performed by an independent third party at Employer's expense at a time convenient to both parties on Benesyst's premises. The results of such audit shall be kept confidential by the auditor.
- B. Benesyst represents and warrants that all services provided shall be performed in a competent manner and shall meet the descriptions and specifications provided in this Agreement.
- C. Benesyst guarantees its services to be exceptional. If our BeneSmart® services fall below the established target, Benesyst will develop an immediate corrective action plan



and share it with all parties involved. If the performance is not back to standard or the problem is not resolved within 30 days, we will provide the client with a percentage of our standard monthly service fees for the affected month and for all affected months thereafter until we fall within the parameters of our guarantees as described below.

Performance Standard – BeneSmart® Implementation	Target	Amount at Risk
1. Carrier Data Build Accuracy:	> 99%	1%
2. Rate Set Data Build Accuracy:	> 99%	1%
3. Initial Billing Line of Coverage Accuracy:	> 99%	1%
Ongoing BeneSmart® Performance Standards	Target	Amount at Risk
1. BeneSmart® System Processing Accuracy – Percentage of all transactions processed accurately the first time (based on information supplies by the Client, its advisors or its employees):	> 99%	1%
2. Account Management – Client’s account manager will have more than two years experience at Benesyst.	> 2 Years	1%
3. Account Management – All Client personnel phone and email inquiries will be returned by Benesyst within 24 hours.	> 99%	1%
4. Account Management – Benesyst will provide Client’s primary contact with an annual survey rating our customer service. If we fail in any area, the fee reduction will be applied.	Satisfactory or Above	1%
5. Confirmation Communication – Confirmation information will be accurate (based on data provided by the Client, its advisors or its employees):	> 99%	1%
6. Reporting – Data will be reported accurately (based on information provided the Client, its advisors or its employees):	> 99%	1%
7. Premium Remittance – Benesyst will remit premiums and related allocation reports to all carriers once monthly by the established date.	> 99%	1%
8. System Uptime - Amount of time system will be available.	> 99%	1%

Indemnification

- A. Benesyst shall indemnify, defend and hold harmless Employer (and its affiliates, the Plans, any fiduciaries or agents thereof) and Employer’s (or its affiliates’) officers, directors, employees, and agents (the “Employer Indemnitees”) from and against, any and all liabilities, including reasonable attorney’s fees, incurred or suffered, which arise out of, result from, or relate to negligent acts, gross or willful misconduct, breach of this



Agreement, or violation of applicable law by Benesyst or its affiliates or their officers, directors, employees or agents, or Benesyst's failure to act in accordance with the Plans' express direction (except to the extent that the Plans' direction would violate applicable law, including ERISA).

- B. Employer shall indemnify, defend and hold harmless Benesyst (and its affiliates), and the officers, directors, employees and agents of Benesyst and its affiliates from and against, any and all liabilities, including reasonable attorney's fees, incurred or suffered, which arise out of, result from, or relate to negligent acts, gross or willful misconduct, breach of this Agreement, or violation of applicable law by Employer Indemnities, actions taken by Benesyst at the express direction of Employer or Employer's failure to act in accordance with Benesyst's direction (except to the extent that Benesyst's direction would violate applicable law, including ERISA).

Confidentiality Provisions

- A. Treatment of Confidential Information. During the term of this Agreement and subsequent thereto, the receiving party will keep all Confidential Information in confidence and will not, without prior written consent of the disclosing party, publish, disclose, or otherwise make available, directly or indirectly, an item of Confidential Information to any person other than those of the receiving party's employees, agents, or contractors who need to know the same in the performance of their duties for the receiving party. The receiving party further agrees that it will only use the Confidential Information in connection with the services and for no other purpose. The receiving party shall protect and maintain the confidentiality of all Confidential Information with at least the same degree of care as it employs to protect its own confidential information, including, but not limited to, taking appropriate action by instruction or agreement with its employees, agents, or contractors to inform them of the trade secret, proprietary, and confidential nature of the Confidential Information and to obtain their written agreement to comply with the terms of this section. The receiving party will be liable to the disclosing party for noncompliance by agents or contractors to the same extent it would be liable for noncompliance by its employees.
- B. Return of Confidential Information and Intellectual Property. All of the disclosing party's Confidential Information, including all physical embodiments thereof, that are in the possession of the receiving party shall be returned to the disclosing Party within thirty (30) days after disclosing party's request for its return or destroyed at the disclosing party's direction. Such return of Confidential Information and physical embodiments thereof will not affect the receiving party's obligation to otherwise maintain the confidentiality of the Confidential Information. The receiving party shall provide the disclosing party with written certification of compliance therewith within fifteen (15) days of such written request. However, if return of Confidential Information is infeasible, the receiving party shall so notify the disclosing party and shall continue to hold such Confidential Information in confidence so long as the reviewing party continues to hold the Confidential Information.



- C. Exclusions. The receiving party's confidentiality obligations shall not extend to information that: (a) was known to the receiving party prior to its receipt from the disclosing party without an obligation to keep it confidential; or (b) is lawfully obtained by the receiving party from a third party through no breach of any agreement with the disclosing party and without an obligation to keep it confidential; or (c) is or becomes publicly available other than as a result of any act or failure to act of the receiving party or any of its employees, agents, or contractors. Provided that such exclusions do not apply to any confidential information related to employees, including, but not limited to, protected health information, social security numbers, or other such information.

Business Associate Contract Provision

Definitions

Catchall definition: Terms used, but not otherwise defined, in this Agreement shall have the same meaning as those terms in the Privacy Rule or Security Rule.

- A. Business Associate. "Business Associate" shall mean Benesyst, Inc.
- B. Covered Electronic Transactions. "Covered Electronic Transactions" shall have the meaning given the term "transaction" in 45 CFR § 160.103.
- C. Covered Entity. "Covered Entity" shall mean the group health plans sponsored by Employer.
- D. Individual. "Individual" shall have the same meaning as the term "individual" in 45 CFR § 160.103 and shall include a person who qualifies as a personal representative in accordance with 45 CFR § 164.502(g).
- E. Privacy Rule. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR part 160 and part 164, subparts A and E.
- F. Protected Health Information or PHI. "Protected Health Information" or "PHI" shall have the same meaning as the term "protected health information" in 45 CFR § 160.103, limited to the information created or received by Business Associate from or on behalf of Covered Entity.
- G. Required By Law. "Required By Law" shall have the same meaning as the term "required by law" in 45 CFR § 164.103.
- H. Secretary. "Secretary" shall mean the Secretary of the Department of Health and Human Services or designee.
- I. Standard for Electronic Transaction Rule. "Standards for Electronic Transactions Rule" means the final regulations issued by HHS concerning standard transactions and code sets



under the Administrative Simplification provisions of HIPAA, 45 CFR Part 160 and Part 162.

- 1) Security Incident. "Security Incident" shall have the same meaning as the term "security incident" in 45 CFR § 164.304.
- 2) Security Rule. "Security Rule" shall mean the Security Standards and Implementation Specifications at 45 CFR Part 160 and Part 164 subpart C.

Obligations and Activities of Business Associate

- A. Business Associate acknowledges that enactment of the American Recovery and Reinvestment Act of 2009 (P.L. 111-5, "ARRA" or "HITECH") amended certain provisions of HIPAA in ways that now directly regulate, or will on future dates directly regulate, Business Associate's obligations and activities under HIPAA's Privacy Rule and Security Rule. Requirements applicable to Business Associate under Title XIII, Subtitle D of ARRA are hereby incorporated by reference into the Agreement. Business Associate agrees to comply, as of the applicable effective dates of each such HIPAA obligation relevant to Business Associate, with the requirements imposed by ARRA, including monitoring federal guidance and regulations published thereunder and timely compliance with such guidance and regulations.
- B. Business Associate agrees to not use or disclose Protected Health Information other than as permitted or required by the Agreement or as Required by Law.
- C. Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of Protected Health Information by Business Associate in violation of the requirements of this Agreement.
- D. Business Associate agrees to report to Covered Entity any use or disclosure of Protected Health Information not provided for by this Agreement of which it becomes aware.
- E. Business Associate agrees to ensure that any agent, including a subcontractor, to whom it provides Protected Health Information received from, or created or received by Business Associate on behalf of Covered Entity agrees to the same restrictions and conditions that apply through this Agreement to Business Associate with respect to such information. Moreover, Business Associate shall ensure that any such agent or subcontractor agrees to implement reasonable and appropriate safeguards to protect Covered Entity's PHI.
- F. Business Associate agrees to provide access, at the request of Covered Entity, and in the time and manner negotiated, to Protected Health Information in a Designated Record Set, to Covered Entity or, as directed by Covered Entity, to an Individual in order to meet the requirements under 45 CFR § 164.524.
- G. Business Associate agrees to make any amendment(s) to Protected Health Information in a Designated Record Set that the Covered Entity directs or agrees to pursuant to 45 CFR §



164.526 at the request of Covered Entity or an Individual, and in the time and manner negotiated.

- H. Business Associate agrees to make internal practices, books, and records, including policies and procedures relating to the use and disclosure of Protected Health Information received from, or created or received by Business Associate on behalf of, Covered Entity available to Covered Entity or the Secretary, in a time and manner negotiated or designated by the Secretary, for purposes of the Secretary determining Covered Entity's compliance with the Privacy Rule and Security Rule.
- I. Business Associate agrees to document such disclosures of Protected Health Information and information related to such disclosures as would be required for Covered Entity to respond to a request by an Individual for an accounting of disclosures of Protected Health Information in accordance with 45 CFR § 164.528 and any subsequent legislation or guidance regarding an Individual's right to an accounting of disclosures of his or her Protected Health Information, including but not limited to, the requirements of Sections 13405 of ARRA and the regulations thereunder.
- J. Business Associate agrees to provide to Covered Entity or an Individual, in the time and manner negotiated, information collected under this Agreement, to permit Covered Entity to respond to a request by an Individual for an accounting of disclosures of Protected Health Information in accordance with 45 CFR § 164.528 and any subsequent legislation or guidance regarding an Individual's right to an accounting of the disclosures of his or her Protected Health Information, including, but not limited to, the requirements of Section 13405 of ARRA and the regulations thereunder. If Covered Entity requests an accounting of an Individual's Protected Health Information more than once in any twelve (12) month period, Business Associate will impose a reasonable fee for such accounting in accordance with 45 CFR 164.528(c).
- K. Business Associate acknowledges that it shall request from the Covered Entity and so disclose to its affiliates, subsidiaries, agents and subcontractors or other third parties, only the minimum Protected Health Information necessary to perform or fulfill a specific function required or permitted hereunder in accordance with the Privacy Rule and Section 13405(b) of ARRA and any regulations thereunder.
- L. In the event the Business Associate transmits or receives any Covered Electronic Transaction on behalf of the Covered Entity, it shall comply with all applicable provisions of the Standards for Electronic Transactions Rule to the extent required by law, and shall ensure that any agents that assist Business Associate in conducting Covered Electronic Transactions on behalf of the Covered Entity agree in writing to comply with the Standards for Electronic Transactions Rule to the extent required by law.



General Use and Disclosure Provisions

Except as otherwise limited in this Agreement, Business Associate may use or disclose Protected Health Information to perform functions, activities, or services for, or on behalf of, Covered Entity as specified in this Agreement and any other service agreement with the Covered Entity, provided that such use or disclosure would not violate the Privacy Rule if done by Covered Entity or the minimum necessary policies and procedures of the Covered Entity. Business Associate shall limit its use and disclosure of, and requests for, Protected Health Information to a limited data set, as defined in the Privacy Rule, unless a greater amount of Protected Health Information is the minimum necessary to accomplish the purposes of the use, disclosure or request.

Specific Use and Disclosure Provisions

- A. Except as otherwise limited in this Agreement, Business Associate may use Protected Health Information for the proper management and administration of the Business Associate or to carry out the legal responsibilities of the Business Associate.
- B. Except as otherwise limited in this Agreement, Business Associate may disclose Protected Health Information for the proper management and administration of the Business Associate, provided that disclosures are Required by Law, or Business Associate obtains reasonable assurances from the person to whom the information is disclosed that it will be held confidential and used or further disclosed only as Required by Law or for the purpose for which it was disclosed to the person, and the person notifies the Business Associate of any instances of which it is aware in which the confidentiality of the information has been breached.
- C. Business Associate may use Protected Health Information to provide data aggregation services to Covered Entity.

Obligations of Covered Entity

- A. Covered Entity shall provide Business Associate with the notice of privacy practices that Covered Entity produces in accordance with 45 CFR § 164.520, as well as any changes to that notice.
- B. Covered Entity shall notify Business Associate in writing of any changes in, or revocation of, permission by an Individual to use or disclose Protected Health Information, to the extent that such changes may affect Business Associate's use or disclosure of Protected Health Information.
- C. Covered Entity shall notify Business Associate in writing of any restriction to the use or disclosure of Protected Health Information that Covered Entity has agreed to in accordance with 45 CFR § 164.522, to the extent that such restriction may affect Business Associate's use or disclosure of Protected Health Information.



- D. Covered Entity acknowledges that it shall provide to, or request from, Business Associate only the minimum Protected Health Information necessary for Business Associate to perform or fulfill a specific function required or permitted hereunder.

Compliance with Security Rule

- A. Business Associate will comply with the Security Rule and HITECH, with respect to any electronic protected health information (as defined in the Security Rule) (“ePHI”) that Business Associate holds for the Plan.
- 1) Business Associate will develop, implement, maintain and use administrative, physical, and technical safeguards that reasonably and appropriately protect the integrity, confidentiality, and availability of the ePHI that it creates, receives, maintains, or transmits on behalf of Covered Entity, as required by the Security Rule. Effective February 17, 2010, Business Associate will comply with the security requirements referenced in Section 13401 of ARRA, including the requirements of 45 CFR §§ 164.308, 164.310, 164.312 and 164.316.
 - 2) Business Associate will ensure that any agent, including a subcontractor, to whom it provides ePHI agrees to implement reasonable and appropriate safeguards to protect such information.
 - 3) Business Associate will notify the Covered Entity in writing in the time and manner negotiated if Business Associate learns of Security Incidents that result in actual unauthorized access, use, disclosure, modification or destruction of information or interference with system operations involving the Plan’s ePHI. Business Associate will report to the Covered Entity periodically, the aggregate number of Security Incidents that do not result in actual unauthorized access, use, disclosure, modification or destruction of ePHI or interference with an information system, such as pings on Business Associate’s firewall, port scans, attempts to log on to a system or enter a database with an invalid password or username, denial-of-service attacks that do not result in a server being taken off-line, and malware (worms, viruses, etc.).
- B. In the event of a Breach, as defined in Section 13400(1) of ARRA, of unsecured PHI by Business Associate or any of its officers, directors, employees, subcontractors or agents, and discovered by Business Associate on or after September 23, 2009, Business Associate will notify Covered Entity within the time and manner negotiated. Business Associate’s notice will include the names of the Individuals whose PHI was breached; the circumstances of the breach; the date(s) the breach occurred and was discovered; the information breached; any steps the affected individuals should take to protect themselves; the steps Business Associate (or its agent) is taking to investigate the breach, mitigate losses, and protect against future breaches; and the person to contact for more information. Business Associate shall cooperate with Covered Entity to notify the affected Individuals pursuant to Section 13402 of ARRA.

Term and Termination of the Business Associate Portion of this Agreement



- A. Term. The Term of the Business Associate portion of this Agreement shall be effective as of June 1, 2010, and shall remain in effect until terminated in accordance with this section. Provided, however, that any termination shall not affect the respective obligations or rights of the parties arising under the Business Associate portion of this Agreement prior to the effective date of termination, all of which shall continue in accordance with their terms.
- B. Termination for Cause. Upon Covered Entity's knowledge of a material breach by Business Associate, Covered Entity shall either:
- 1) Provide an opportunity for Business Associate to cure the breach or end the violation, and terminate this Agreement if Business Associate does not cure the breach or end the violation within the time reasonably specified by Covered Entity;
 - 2) Immediately terminate this Agreement if Business Associate has breached a material term of this Agreement and cure is not possible; or
 - 3) If neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary.
- C. Upon the termination of all business arrangements hereunder between the parties, either party may terminate this Agreement by providing written notice to the other party.
- D. Effect of Termination.
- 1) Except as provided in paragraph (2) of this section, upon termination of this Agreement, for any reason, Business Associate shall return or destroy all Protected Health Information received from Covered Entity, or created, or received by Business Associate on behalf of Covered Entity. This provision shall apply to Protected Health Information that is in the possession of subcontractors or agents of Business Associate. Business Associate shall retain no copies of the Protected Health Information.
 - 2) In the event the Business Associate determines that returning or destroying the Protected Health Information is infeasible, Business Associate shall provide to Covered Entity notification of the conditions that make return or destruction infeasible. Business Associate shall extend the protections of this Agreement to such Protected Health Information and limit further uses and disclosures of such Protected Health Information to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such Protected Health Information.
- E. Ineligible persons. Business Associate represents and warrants to Covered Entity that Business Associate (i) is not currently excluded, debarred, or otherwise ineligible to participate in any federal health care program as defined in 42 U.S.C. Section 1320a-7b(f) ("the Federal Healthcare Program"); (ii) has not been convicted of a criminal offense related to the provision of health care items or services and not been excluded, debarred, or otherwise declared ineligible to participate in the Federal Healthcare



Programs, and (iii) is not under investigation or otherwise aware of any circumstances which may result in Business Associate being excluded from participation in the Federal Healthcare Programs. This shall be an ongoing representation and warranty during the term of this Agreement, and Business Associate shall immediately notify Covered Entity of any change in the status of the representations and warranty set forth in this section. Any breach of this section shall give Covered Entity the right to terminate this Agreement immediately for cause.

Miscellaneous

- A. Regulatory References. A reference in this Agreement to a section in the Privacy Rule or Security Rule means the section as in effect or as amended.
- B. Amendment. The parties agree to take such action to amend this Agreement from time to time as is necessary for Covered Entity and Business Associate to comply with the requirements of the Privacy Rule, the Security Rule and the Health Insurance Portability and Accountability Act of 1996, Pub. L. No. 104-191, as amended.
- C. Survival. The respective rights and obligations of Business Associate under Term and Termination, Paragraph (D) of that Section of this Agreement, shall survive the termination of this Agreement.
- D. Interpretation. Any ambiguity in this Agreement shall be resolved to permit Covered Entity and Business Associate to comply with the Privacy Rule and Security Rule.

Signatures

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective officers duly authorized to do so.

BENESYST INC.

5-14-2010

Robert P. Confin, CEO

Date

Signature: _____

_____ Title, Authorized Signer Date



Schedule of Fees

Effective Date: 6/1/2010

Fees Guaranteed through 5/31/2012

First Year Implementation Fees	
BeneSmart Start Up/ Implementation Fee (one-time charge):	\$ 24,000.00
Benefit Comparison Set-up:	<i>Included</i>
SHARET – Retiree Sickpay Management Application:	<i>Included</i>

Monthly Administrative Service Fees	
BeneSmart Services, per active employee, per month: <small>Benesyst has the right to renegotiate applicable fees in the Schedule of Fees if number of eligible retirees or employees reduces by 10 percent or more from the 5,500 active employee number provided by Employer</small>	\$ 5.23
Retiree Administration Services, per retiree per month:	\$ 5.23

Annual Renewal Fees	
BeneSmart and Retiree Renewal <small>Once annual restructure cost share of health plan premiums is included. Addition of building rates, rules, etc., for new plan or carrier is \$600</small>	<i>Included</i>

Optional Services	
One-time Dependent Audit (Optional):	\$ 9,000.00
Soft Audit of Dependents:	<i>Included</i>

Miscellaneous Services - Special Request	
Customization of Materials (Development, Printing and Mailing):	Actual Costs
Overnight Mail and Miscellaneous Postage, UPS Charges Passed Through:	TBD
Scrub/formatting charge (for files not meeting our file specification);and customized, ad-hoc reports or audits, minimum one hour:	
<ul style="list-style-type: none"> • BeneSmart Administrator completing request, per hour: \$75.00 • Management and/or IT completing request, per hour: \$150.00 	

Pricing is based upon the following assumptions:

1. **Minimum Implementation time of 120 days from Implementation kick-off to Open Enrollment Date. Minimum of 60 days from close of Open Enrollment Window to Effective Date. Assumes Carriers and rates are finalized minimum 60 days prior to open enrollment otherwise additional fees may apply.**
2. **Benefits Administration is Centralized (for instance, one HR office submitting Qualifying Event Information, etc.)**
3. **EOI (Evidence of Insurability) Administration - Included per Benesyst's standard process.**
4. **COBRA must be administered by Benesyst if the County is on our BeneSmart® Platform. (per COBRA administrative services agreement signed by employer February 4th, 2010)**
5. **Billing is unified - Standard monthly billing for each carrier**
6. **Initial data import is basic employee demographic and eligibility information provided in our file specifications - Benefit & dependent information is established on the system by the employee via the Open Enrollment Process - Benefit and data import will be an additional charge depending on the requirements and data being imported.**
7. **5,500 active employees**
8. **1,900 retirees and surviving spouses in medical; 780 in dental; 475 in vision**
9. **720 12-week leave events per year**
10. **Employee Benefit Statement mailed to employee's home at end of open enrollment unless employees in future opts for "Going Green" which substitutes electronic communications. Ongoing benefit changes are communicated via the system and email. Mailed statements for ongoing benefit changes would be an additional charge.**
11. **457b enrollment captures flat monthly dollar amount only (no investment option allocations). Benesyst can provide a link in the related content section to investment options made available by the County.**
12. **Coverage Start Date for active employees: 1st of month after Date of Hire. Coverage start date for retirees: 1st of month following termination of employment.**
13. **Coverage End Date: End of month in which termination or other Event occurred**
14. **One-time dependent audit is based on 6,600 spouses and dependents and includes standard communications (Verification Letter, Non-Responder Notification, Pre-Disposition Letter, Final Disposition Letter) via first class mail, call center services support scanning and archiving of all documents, validation of dependent eligibility for medical coverage.**
15. **Soft audit is based on a series of validation questions defined by the County of San Mateo during implementation and configured in BeneSmart®. The purpose of these questions is for employees to verify their dependents' eligibility before the enrollment process.**
16. **FSA administrative services will continue to be provided by Benesyst**
17. **Call Center services include FSA support, COBRA support, and basic technical support for the BeneSmart platform, including logon issues, navigation of the system, eligibility-related questions and "how-to" system support related questions. The Employer will handle all calls related to benefit plan selection and retiree questions. As an option, for an additional fee, Benesyst can also provide these services.**



18. Pricing assumes the following health and welfare plans for active employees: •Blue Shield HMO (Insured) • Kaiser HMO (Insured) • Blue Shield POS (Insured) • Blue Shield Dental DPO Plan (Self funded) • Delta Dental DeltaCare Dental HMO Plan (Insured) • VSP Vision Plan (Self Funded) • The Standard STD • The Standard Basic Life and AD&D • Flexible Spending Accounts •The Standard Supplemental Life • The County's LTD program.

19. Pricing assumes the following Retiree Plans: Early Retirees (retirees under the age of 65) and Retirees 65+ without Medicare • Kaiser HMO (Insured) • Blue Shield POS (Insured) • Blue Shield PPO (Out of Area) (Insured) • Blue Shield Dental DPO Plan (Self funded) • Delta Dental DeltaCare Dental HMO Plan (Insured) • Pacific Union Dental (Insured) • VSP Vision Plan (Self Funded) •Blue Shield HMO
Retirees 65+ with Medicare • Kaiser Senior Advantage HMO (Insured) • Blue Shield POS (Insured) • Blue Shield PPO (Out of Area) (Insured) • Secure Horizons (Insured) • Blue Shield Dental DPO Plan (Self funded) • Delta Dental DeltaCare Dental HMO Plan (Insured) • Pacific Union Dental (Insured) • VSP Vision Plan (Self Funded)

20. Rates may be reasonably adjusted upon agreement by both parties in the event that Employer or legal mandates require substantive changes to the processes or assumptions upon which this proposal was based.