

DENTAL CLAIMS SERVICE ADMINISTRATION AGREEMENT

This Administrative Services Agreement ("Agreement") is made and entered into effective this 1st day of January, 2015, ("Effective Date") by and between City of Frisco ("Plan Sponsor"), and Union Security Insurance Company ("Claims Administrator");

WHEREAS, the Plan Sponsor has requested that Claims Administrator review and make determinations on claims submitted pursuant to the Plan, which the Plan Sponsor submits for review; and

WHEREAS, the Claims Administrator desires to accommodate the Plan Sponsor.

NOW, THEREFORE, in consideration of the mutual promises contained herein, and the payment of fees and charges set forth in Exhibit 2, the Plan Sponsor and Claims Administrator hereby agree as follows:

I. Definitions

As used in this Agreement, the following terms shall have the stated meanings:

- A. Plan means the self-funded dental plan established by the Plan Sponsor as set forth in the Plan Document (attached hereto as Exhibit 1).
- B. Plan Year means the 12-month period of time as defined in the Plan Document.

II. Submission of Information

- A. The Plan Sponsor may submit Plan claims to Claims Administrator for review and handling. The Plan Sponsor shall provide all information requested by Claims Administrator including, but not limited to, the following:
 - 1. A copy of the Plan Document, Summary Plan Description and any other documents or materials in whatever medium evidencing Plan guidelines or procedures.
 - 2. Confirmation of eligibility for participation in the Plan.
 - 3. The effective date of coverage for Plan Participants under the Plan.
 - 4. Any other information reasonably requested to enable Claims Administrator to perform its duties under this Agreement.

III. Executive Correspondent

The Executive Correspondent under this Agreement is Lauren Safranek. The

Executive Correspondent shall be an agent of the Plan Sponsor and is responsible for receiving, on behalf of Plan Sponsor, renewal information, Form 5500 information, and confirmation of Claims Administrator's receipt of Plan amendments. Plan Sponsor shall ensure that the Executive Correspondent complies with this Agreement, including but not limited to the HIPAA and Confidentiality provisions set forth herein. Plan Sponsor shall indemnify and hold Claims Administrator harmless from and against any claims, causes of actions, fines, damages, attorneys' fees, expert witness fees, litigation costs or settlements incurred by Claims Administrator as a result of the errors, acts or omissions of the Executive Correspondent.

IV. Plan Sponsor Responsibility

- A. The Plan Sponsor authorizes the Claims Administrator to process claims for Plan benefits and to issue drafts for payment to Plan Participants. The Plan Sponsor shall promptly reimburse Claims Administrator in accordance with Section VIII and Exhibit 2, which is attached to and incorporated herein by reference, for all drafts issued by Claims Administrator pursuant to this Agreement.
- B. Notwithstanding any other provisions of this Agreement, the responsibility for the interpretation of Plan provisions, the determination of whether a benefit will be paid or denied and the liability for the payment of any benefits under the Plan rests solely with the Plan Sponsor. The Plan Sponsor shall use its own discretion in determining all claims and appeals without regard to the opinions or recommendations of Claims Administrator. The Plan Sponsor's decision will be final.
- C. Should the Plan Sponsor decide to take action contrary to Claims Administrator's determination, the Plan Sponsor shall prepare and immediately forward to Claims Administrator its decision in writing, including the basis for its decision. Claims Administrator will notify the Plan Participant in writing of the decision reached by the Plan Sponsor on the claim, the basis for that decision and the right to appeal that decision.
- D. In the event a benefit is overpaid or paid in error, the parties shall cooperate with each other in seeking reimbursement of the overpaid amount from the Plan Participant. It shall be the sole responsibility of the Plan Sponsor to collect any overpayment.
- E. Plan Sponsor shall communicate to the Claims Administrator, in writing, any modifications or amendments to the Plan at least thirty (30) days prior to the effective date of any Plan modification or amendment. Any such amendment or modification shall not be implemented retroactively.
- F. The parties acknowledge and agree that Claims Administrator does not insure or underwrite the liability of the Plan Sponsor under the Plan. The Plan Sponsor remains responsible and liable at all times for providing any Plan benefits and operating the Plan in accordance with its terms and any applicable state or federal laws and regulations. The Plan Sponsor shall be responsible for complying with all reporting and disclosure

requirements including, but not limited to, preparation and distribution of Summary Plan Descriptions and the preparation and filing of any required Form 5500.

V. Claim Administration Services

- A. Upon receipt of the submitted claims, Claims Administrator shall perform certain services with respect to the review of Plan claims made by Plan Participants including, but not limited to, the following:
1. Obtain appropriate and adequate documentation to make informed determinations regarding submitted claims under the Plan.
 2. Review all aspects of the submitted claims including review of all documents and information, medical and otherwise, obtained to review eligibility for benefits and the amount of benefits, if any.
 3. Use the services of third parties as deemed appropriate by Claims Administrator.
 4. Notify Plan Participants in writing as to the decision reached on the claim, the basis for the decision and their right to appeal the decision.

VI. Appeal Process

- A. All appeals shall be handled in accordance with the Plan Document.
- B. In the absence of an appeals process in the Plan Document, the appeals process shall be as follows:
1. If the Plan allows for only one level of appeal, that appeal shall be handled and determined by Plan Sponsor.
 2. If paragraph 1 above does not apply, the first appeal of a denied claim will be reviewed by Claims Administrator's Team Leader and/or Manager. The claim may also be reviewed by third parties as necessary. Claims Administrator will formulate a decision on the first appeal and provide that decision in writing to the participating employee and inform them of their right to appeal the decision.
 3. Notwithstanding any other provisions of this Agreement and as provided by Article III, the Plan Sponsor shall use its own discretion in determining all appeals, without regard to the determination by Claims Administrator.
 4. Any additional appeals shall be handled and determined solely by Plan Sponsor.

VII. Consultation

Claims Administrator may consult with the Plan Sponsor and the Plan Sponsor shall cooperate with Claims Administrator during the review of any claim or the appeal of any disputed claim.

VIII. Administration Fees and Benefit Payment Reimbursement

- A. Plan Sponsor shall pay to Claims Administrator an administration fee in accordance with paragraph B below. The administration fee for the initial term of this Agreement and other applicable charges are set forth in Exhibit 2.
- B. Claims Administrator shall send a monthly itemized statement ("Claims Administrator's Itemized Statement") to the Plan Sponsor setting forth all unpaid fees and charges and Plan benefits paid in the prior month(s). Within ten (10) business days of receipt of the Claims Administrator's Itemized Statement, Plan Sponsor shall remit full payment to Claims Administrator by the method of payment set forth in Exhibit 2, unless the parties agree in writing to alternate arrangements.
- C. If Plan Sponsor at any time fails or refuses to pay any amount due and payable under this Agreement, Claims Administrator, upon twenty-four (24) hours notice, and in its sole discretion, may:
 - 1. Stop processing any further claims and stop making any benefit payments until the outstanding amounts are received;
 - 2. Change the frequency of the billing and reimbursement procedures;
 - 3. Change the method of payment set forth in Exhibit 2; and/or
 - 4. Terminate this Agreement.
- D. If Claims Administrator changes the method of payment in Exhibit 2, pursuant to paragraph C above, Plan Sponsor shall cooperate with Claims Administrator in providing all necessary information to facilitate that change. If Claims Administrator changes the method of payment to debit or wire, Plan Sponsor shall ensure that amounts due and payable to Claims Administrator shall be available to Claims Administrator within forty-eight (48) hours.
- E. If there is a change in the level or number of services provided or a change in employee enrollment of 25% or more within a Plan Year, upon thirty (30) days written notice to Plan Sponsor, the Administrator has the right to change the administration fee set forth in Exhibit 2 or terminate this Agreement.
- F. Claims Administrator guarantees the fees set forth in Exhibit 2 for 3 years

from the Effective Date. Thereafter, once during each Plan Year, after providing at least thirty (30) days prior written notice to Plan Sponsor, Claims Administrator may change the administration fee. If the Plan Sponsor rejects the new administration fee, Claims Administrator may, in its sole discretion, either (i) elect to continue providing Administrative Services under the existing fee arrangement; (ii) negotiate a new administration fee with Plan Sponsor; or (iii) terminate this Agreement on the next anniversary date of the Plan Year.

IX. Standard of Review

The standards to be used by Claims Administrator when making claim determinations under the Plan are those set forth in the Plan.

X. Files and Records

- A. The claim file related to the Plan is the property of the Plan Sponsor and is available to Plan Sponsor upon request. In order to implement this provision, forms authorizing the release of medical records must include the Plan Sponsor as a possible recipient of such records. In the absence of a specific request for Plan records by the Plan Sponsor, Claims Administrator will hold such records for the Plan Sponsor for the same period of time that the Claims Administrator retains similar records in connection with its insurance business.
- B. Plan Sponsor shall reimburse the Claims Administrator's actual costs incurred in providing any and all information requested under this Section.
- C. Plan Sponsor agrees that in reviewing any records, claims files or other information, it shall comply with the requirements set forth in Section XV.
- D. Upon Claims Administrator's receipt of a subpoena, court order, child support order or any other judicial order requesting Plan records, Claims Administrator shall immediately forward to Plan Sponsor a copy of such request along with the Plan records provided by Claims Administrator to comply with the order.

XI. ERISA

- A. This Agreement shall not be considered an employee welfare benefit plan under the provisions of the Employee Retirement Income Security Act of 1974 and any amendments thereto (ERISA) and the Plan Sponsor shall be solely responsible for any duties and responsibilities imposed on it by ERISA.
- B. For purposes of this Agreement and the duties performed hereunder, Claims Administrator is not a fiduciary as defined under ERISA.
- C. Claims Administrator shall have no power or duty to act on behalf of the Plan Sponsor concerning the Plan except as expressly stated in this Agreement. Claims Administrator has no discretionary authority or

control over the Plan or the Plan administration.

XII. Indemnification

Plan Sponsor will indemnify Claims Administrator and hold Claims Administrator harmless against any and all losses, liabilities, penalties, fines, costs, damages, and expenses Claims Administrator incurs, including reasonable attorneys' fees, which arise out of (i) Plan Sponsor or its vendors', subcontractors' or authorized agents' gross negligence or willful misconduct in the performance of Plan Sponsor or its vendors', subcontractors' or authorized agents' obligations under this Agreement or any other agreements entered into with such third parties on Plan Sponsor's behalf (ii) Plan Sponsor's material breach of this Agreement (iii) a breach of any other agreements Claims Administrator enters into with such third parties on Plan Sponsor's behalf with Plan Sponsor's approval, all as determined by a court or other tribunal having jurisdiction of the matter.

Claims Administrator will indemnify Plan Sponsor and hold Plan Sponsor harmless against any and all losses, liabilities, penalties, fines, costs, damages, and expenses, that Plan Sponsor incurs, including reasonable attorneys' fees, which arise out of (i) Claims Administrator's or its vendors' gross negligence or willful misconduct in the performance of Claims Administrator's or its vendors', subcontractors' or authorized agents' obligations under this Agreement or (ii) Claims Administrator's material breach of this Agreement, all as determined by a court or other tribunal having jurisdiction of the matter.

XIII. Term and Termination

- A. This Agreement shall commence on the Effective Date and shall continue for a period of one year ("Agreement Year").
- B. After the expiration of the initial term, this Agreement shall automatically renew for successive one-year periods, unless terminated in accordance with this Agreement.
- C. This Agreement shall be terminated as follows:
 - 1. Immediately upon cessation of business by the Plan Sponsor or Claims Administrator.
 - 2. Immediately upon the bankruptcy or dissolution of the Plan Sponsor or Claims Administrator.
 - 3. In Claims Administrator's discretion, upon the Plan Sponsor's failure to pay fees and charges when due.
 - 4. Without cause by either party upon thirty (30) days' prior written notice to the other party.
- D. Upon termination of this Agreement for any reason:

1. Unless otherwise agreed to, Claims Administrator shall cease all services under this Agreement.
2. Within 30 days of termination, Plan Sponsor shall pay to Claims Administrator all fees, charges and Plan benefits determined to be due at the date of termination.
3. Claims Administrator shall return any Plan Sponsor funds remaining in its possession within 10 days after a final accounting is prepared by Claims Administrator.

XIV. Plan Benefits Following Termination

- A. Claims for Plan benefits for services received by Plan Participants on or before the termination date shall be referred to herein as "Incurred Claims". Unless (a) otherwise agreed by the parties, or (b) this Agreement is terminated as set forth above, the Claims Administrator will process Incurred Claims, with reasonable diligence, for a period of ninety (90) days following the termination date (the "Termination Period"). The Claims Administrator will not charge an administration fee for processing Incurred Claims during the Termination Period. The terms of this Agreement, any attachments and/or amendments will govern the parties' relationship during the Termination Period, except that the only service that the Claims Administrator will perform is the processing of Incurred Claims. During the Termination Period the Plan Sponsor will transfer funds to the Claims Administrator, in accordance with the funding option selected in Exhibit 2 for the payment of fees and Incurred Claims which have been processed.
- B. The Claims Administrator reserves the right to invoice the Plan Sponsor after the termination date for Incurred Claims and all other charges which the Plan Sponsor became obligated to pay the Claims Administrator for any Plan Benefits processed under this Agreement prior to the termination date or otherwise. Plan Sponsor agrees to pay the invoiced amounts within thirty (30) days after its receipt of the invoice.

XV. Confidentiality/Privacy

- A. As used in this Section, Confidential Information includes any Plan Participant personal or health information as may be defined by applicable privacy laws or regulations. Confidential Information also includes Nonpublic Personal Information as may be defined in the Gramm-Leach-Bliley Act and may include any information that is personal in nature, including but not limited to, name, address, telephone number, e-mail address, social security number, dates of birth and other consumer or credit information.
- B. Claims Administrator agrees to maintain the confidentiality of all Confidential information received about Plan participants in accordance with state and federal laws and regulations.

XVII. General Provisions

- A. This Agreement shall be determined and governed by the laws of the State of Missouri.
- B. The recitals and the definitions within such recitals are incorporated herein by reference and shall apply to this Agreement.
- C. This Agreement constitutes the entire agreement between the parties as to the matters addressed herein, and as of the Effective Date supersedes all previous agreements and understandings between the parties with respect to the subject matter hereof.
- D. Neither party shall use the other party's name, trademark, brand, logo, or symbol without the other's express written consent.
- E. Each party agrees to notify the other within 24 hours after receipt of notice of the commencement of any legal action relating to the Plan or this Agreement.
- F. Forbearance by Claims Administrator in enforcing one or more of the provisions in this Agreement shall not be deemed or construed to constitute a waiver of such right to enforce later.
- G. The headings used in this Agreement are for convenience only and shall not be used in interpreting this Agreement.
- H. Nothing in the Agreement, whether express or implied, is intended to confer any rights or remedies on any persons or entities other than the parties to this Agreement.
- I. This Agreement may not be assigned or amended without the prior written consent of Claims Administrator.
- J. Any modification or amendment to this Agreement shall not be effective unless agreed to in writing by both parties.
- K. No ambiguity or uncertainty herein shall be construed or resolved against any party whether under any rule of construction or otherwise.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective as of the date set forth above.

CITY OF FRISCO
(Plan Administrator)

**UNION SECURITY INSURANCE
COMPANY**
(Claims Administrator)

By: _____
(Signature)

By: Michelle Herrold
(Signature)

Name: _____
(Print)

Name: Michelle Herrold

Title: _____

Title: 2nd VP, Customer Advocacy

Date: _____

Date: June 10, 2014

EXHIBIT 2

FEES AND CHARGES

1. The Plan Sponsor shall pay Claims Administrator the following monthly administration fee per Plan participant (net of commissions) \$2.45
2. The monthly administration fee is guaranteed for the three (3) year period commencing on the Effective Date of this Agreement.
3. Fees shall be remitted to Claims Administrator in the form of a ACH WIRE transaction.