

COBRA Administration



SPONSORED BLUE CROSS® BLUE SHIELD OF MICHIGAN & BLUE CARE NETWORK

Fewer than 100 Insured Employees

\$35 per month or \$420 per year

100 or More Insured Employees

\$60 per month or \$720 per year

DIRECT WITH BLUE CROSS® BLUE SHIELD OF MICHIGAN & BLUE CARE NETWORK (NON SPONSORED)

Fewer than 100 Insured Employees

\$60 per month or \$720 per year

100 or More Insured Employees

\$75 per month or \$900 per year

ENROLLED WITH A NON BLUE CARRIER

Fewer than 100 Insured Employees

\$60 per month or \$720 per year

100 or More Insured Employees

\$75 per month or \$900 per year

As the Employer, you must notify us at membercare@sbam.org or sbam.org/membercare of the following COBRA qualifying events:

- Employees or dependents are added to the plan.
- Employees are terminated (voluntary or involuntary).
- Reduction of employee hours that may result in a qualifying event (loss of coverage).
- Any changes made to your insurance program, including plan changes and rate renewals.
- Any employee life event including death, marriage, divorce or birth of a child.

It's also very important for you to:

- Review your monthly invoices and notify us of any inaccuracies or discrepancies.
- Provide us with current rates at your plan renewal.

Please Note: Members enrolled in an SBAM sponsored BCBSM and/or BCN insurance plan incur a \$7.50 monthly billing fee. This helps to fund the cost of building and managing the products and services offered, the expertise required to get you the answers you need to both routine and complicated issues, and to help keep your plan compliant with state and federal rules and regulations.

COBRA Enrollment Form & Agreement

Contact Name

Title

Business Name

Business Location (Street Address)

Phone

Fax

Email

Mailing Address (P.O. Box)

City

State

Zip

Number of Insured Employees _____

SBAM SPONSORED BCBSM AND BCN*

Fewer than 100 insured employees

\$35 per month or \$420 per year

More than 100 insured employees

\$60 per month or \$720 per year

DIRECT WITH BCBSM AND BCN (NON SPONSORED)

Fewer than 100 insured employees

\$60 per month or \$720 per year

More than 100 insured employees

\$75 per month or \$900 per year

ENROLLED WITH A NON BLUE CARRIER

Fewer than 100 insured employees

\$60 per month or \$720 per year

More than 100 insured employees

\$75 per month or \$900 per year

I'M WORKING WITH AN INSURANCE AGENT.

AGENT FIRST NAME: _____

AGENT LAST NAME: _____

AGENCY: _____

AGENT PHONE: _____

AGENT EMAIL: _____

ADMINISTRATION FEE BILLING INTERVAL:

MONTHLY

If you would like to have your monthly fees collected via ACH, please complete the form on page 2.

ANNUALLY

*Members enrolled in an SBAM sponsored BCBSM and/or BCN insurance plan incur a \$7.50 monthly billing fee.

ACH Authorization

Recordkeeper: Small Business Insurance Services, LLC

The ACH payment option is only available for members enrolled in an SBAM-sponsored BCBSM, BCN, and/or OneAmerica plan(s). You can elect to have your insurance premiums and COBRA administration fees paid directly from your bank account each month. Please select all that apply:

BCBSM Group Policy Number: _____

BCN Group Policy Number: _____

OneAmerica Group Policy Number: _____

COBRA Administration

I (we) hereby authorize **Small Business Insurance Services, LLC**, hereinafter called COMPANY, to initiate debit entries to my (our) checking account or savings account indicated below at the depository financial institution named below, hereafter called DEPOSITORY, and to debit the same to such account. I (we) acknowledge that the origination of ACH transaction to my (our) account must comply with the previous provisions of the United States law.

Checking Account Savings Account

Depository Name: _____

Branch: _____

City: _____

State: _____ Zip Code: _____

Routing Number: _____

Account Number: _____

This authorization is to remain in full force and effect until the Recordkeeper has received written notification from me of its termination in such time and in such manner as to afford the Recordkeeper and Depository a reasonable opportunity to act on it. Note: Written credit authorization must provide that the receiver may revoke the authorization only by notifying the originator in the manner specified in the authorization.

First and Last Name: _____

Signature: _____

Date: _____

COBRA RIGHTS AND RESPONSIBILITIES

Notice and Election Procedures

COBRA Regulations require a group health plan to provide covered employees and their families with certain notices explaining their COBRA rights. Group health plans must also have rules for how COBRA continuation coverage is offered, how qualified beneficiaries may elect continuation coverage and when it can be terminated.

COBRA General Notice – Continuation Coverage Rights Under COBRA

Group health plans must give each employee and each spouse who becomes covered under your plan a General Notice describing COBRA rights. Small Business Insurance Services (SBIS) calls this letter the Continuation Coverage Rights Under COBRA. By Department of Labor regulation, this notice must be provided within the first 90 days of coverage. This notice must contain the information that a covered employee or spouse needs to know in order to protect their COBRA rights when they first become covered under the plan, including the name of the plan and someone they can contact for more information, a general description of the continuation coverage provided under the plan, and an explanation of any notices the covered employee or spouse must give to the plan to protect their COBRA rights.

Following the completion of all required documents and the execution of the Group COBRA Administration Agreement, if necessary, SBIS will provide each employee with the required Continuation Coverage Rights Under COBRA letter.

NOTE: If your company's subscribers and dependents have already received the General Notice, it DOES NOT need to be sent again.

Do you need SBIS to send the General Notice to your current subscribers? Select one of the following:

- YES, please send the General Notice
- NO, please DO NOT send the General Notice

*If you selected 'YES', please provide us with a list of names and addresses for current subscribers and their dependents.

HEALTH PLAN INFORMATION

Medical Carrier(s): _____

Group Number(s): _____

Dental Carrier: _____

Group Number: _____

check box if the dental is a stand-alone policy

Vision Carrier: _____

Group Number: _____

check box if the vision is a stand-alone policy

HRA Carrier: _____

Group Number: _____

When does insurance coverage end? Please choose one:

End of the month

Last day of employment

**** Please Submit Rate Sheets For All Carriers****

COBRA PARTICIPANT

First Name: _____ MI: _____ Last Name: _____

Address: _____

City: _____ State: _____ Zip: _____

Original COBRA Qualifying Date: _____ Premium Paid Through Date: _____ Premium Amount \$: _____

Type of Qualifying Event (i.e. death, divorce, etc): _____

Social Security Number: _____ DOB: _____

SPOUSE

First Name: _____ MI: _____ Last Name: _____

Social Security Number: _____ DOB: _____

DEPENDENT #1

First Name: _____ MI: _____ Last Name: _____

Social Security Number: _____ DOB: _____

DEPENDENT #2

First Name: _____ MI: _____ Last Name: _____

Social Security Number: _____ DOB: _____

DEPENDENT #3

First Name: _____ MI: _____ Last Name: _____

Social Security Number: _____ DOB: _____

Medical Carrier: _____

Group No./Suffix: _____

Premium Amount (without 2% COBRA fee): _____ Premium Paid Through Date: _____

Dental Carrier: _____

Group No./Suffix: _____

Premium Amount (without 2% COBRA fee): _____ Premium Paid Through Date: _____

Vision Carrier: _____

Group No./Suffix: _____

Premium Amount (without 2% COBRA fee): _____ Premium Paid Through Date: _____

EFFECTIVE DATE OF COBRA ADMINISTRATION

If all required completed information is received prior to the 15th of the month, administrative service will begin on the 1st of the following month. If all information is received after the 15th of the month, administrative service will begin on the 1st of the month following a 30-day grace period.

Required completed information includes:

1. Completed SBAM Membership Application and payment (or satisfactory evidence of payment) by the Company of SBAM's first-year membership dues, unless the Company is a current member in good standing with SBAM;
2. Completed COBRA Enrollment Form;
3. Completed and executed Group Census Form, which includes names, social security numbers, addresses, and dates of birth for each subscriber and subscriber's covered dependents OR access to such information from BCBSM / BCN;
4. Current, renewal, or new carrier premium rates for all insurance carriers (including stand-alone dental, vision or prescription plans) with which Group plan subscribers are enrolled, as well as the corresponding Group numbers for each carrier;
5. An executed copy of signed Contract; and
6. To the extent that Group has current COBRA subscribers, information for each such subscriber and dependents including qualifying event date, date of COBRA notification, date of COBRA enrollment premium rates at the time of COBRA enrollment, and paid-to-date information

Date to begin COBRA administration: _____

MEMBERSHIP & PLAN CHANGES

YES, our Group wants to be solely responsible for transmitting or otherwise submitting all Group membership and plan changes to the appropriate COBRA Insurance Program. Group acknowledges that Small Business Insurance Services (SBIS) has no liability to Group or any covered individual for Group's failure to submit Group membership and plan changes to the appropriate insurance carrier, or for Group's failure to accurately and timely provide such information to the appropriate Group Insurance Program. If a covered individual enrolls in a COBRA Insurance program prior to Group providing complete and accurate necessary enrollment forms or premium to the appropriate Group Insurance Program, then group shall be liable to pay any applicable premium. SBIS shall presume that all information provided to the appropriate Group Insurance Program by GROUP is complete and accurate and SBIS has no obligation to question or verify the completeness or accuracy of the information provided by Group.

NO, our Group wants Small Business Insurance Services (SBIS) to handle all membership and plan changes.

SMALL BUSINESS INSURANCE SERVICES, LLC
GROUP COBRA ADMINISTRATION CONTRACT

THIS GROUP COBRA ADMINISTRATION CONTRACT is entered into between Small Business Insurance Services, LLC ("SBIS") and _____ ("Customer").

SBIS and Customer agree, in consideration of the promises and mutual covenants set forth in this Contract, that SBIS will serve as administrator of health, dental and vision insurance programs ("Insurance Programs") offered by Customer to its employees under the Consolidated Omnibus Budget Reconciliation Act of 1986, Public Law 99-272 ("COBRA"), as follows:

Eligibility for COBRA Administration. To be eligible for the services provided by SBIS under this Contract, Customer must be a member in good standing of Small Business Association of Michigan ("SBAM"). If, at any time during the term of this Contract, Customer fails to meet this requirement, SBIS may terminate this Contract immediately upon written notice to Customer.

Contract Contingencies and Commencement of Obligations. SBIS's obligations under this Contract are and shall be contingent upon SBIS's receipt of all of the following:

- (1) If not a current member in good standing of Small Business Association of Michigan ("SBAM"), a completed SBAM Membership Application including Credit Card information or a check for SBAM first year membership dues;
- (2) A completed COBRA Enrollment (Group Set-up) Form;
- (3) Current, renewal or new carrier premium rates for all insurance carriers with which Customer's group insurance plan(s) subscribers are enrolled; and corresponding Group numbers for each insurance plan;
- (4) An executed copy or original of this Contract; and
- (5) If the Customer has current COBRA subscribers, receipt of each subscriber's qualifying event date, date of COBRA notification, date of COBRA enrollment, premium rates at time of COBRA enrollment, and paid-to-date information

SBIS's obligations under this Contract shall commence on the first (1st) day of the calendar month following the satisfaction of the conditions set forth in subparagraphs (1)-(6) above, inclusively.

Administrative Fees.

SBAM-Sponsored BCBSM and BCN Groups

- Fewer than 100 insured employees – Customer must pay SBIS \$35 per month (or if desired \$420 annually) to serve as Customer's COBRA administrator.
- 100 or more insured employees – Customer must pay SBIS \$60 per month (or if desired \$720 annually) to serve as Customer's COBRA administrator.

Non-Sponsored, Non-Blue Groups

- Fewer than 100 insured employees – Customer must pay SBIS \$60 per month (or if desired \$720 annually) to serve as Customer's COBRA administrator.
- 100 or more insured employees – Customer must pay SBIS \$75 per month (or if desired \$900 annually) to serve as Customer's COBRA administrator.

*** Discount for Non-Sponsored, Non-Blue Groups with an 'Exclusive' SBAM Agent/Agency**

- Fewer than 100 insured employees – Customer must pay SBIS \$45 per month (or if desired \$540 annually) to serve as Customer's COBRA administrator.
- 100 or more insured employees – Customer must pay SBIS \$55 per month (or if desired \$660 annually) to serve as Customer's COBRA administrator.

For Customers enrolled in a SBAM sponsored Blue Cross Blue Shield of Michigan and/or Blue Care Network health insurance plan, Administration Fees may be paid monthly. When paying the fee monthly, it will appear on Customer's health insurance invoice, and shall be payable to (SBIS) Small Business Insurance Services. If paying the fee annually, the Administrative Fee invoice will come directly from SBIS. If Group fails to pay the administration fee within thirty (30) days after it becomes due, SBIS reserves the right to immediately terminate this Contract and discontinue all COBRA administrative services for Customer.

Membership and Plan Changes.

(a) Customer must immediately upon occurrence submit all membership and plan changes (i.e., additions, deletions, coverage changes, premium rate changes, etc.) for its Group Insurance Programs to SBIS via our secure email at membercare@sbam.org.

(b) Customer shall provide complete and accurate information on all membership and plan changes. Customer understands that SBIS cannot perform its duties under this Contract without accurate and timely information, and that SBIS has no liability to Customer or any covered individual as a consequence of inaccurate or untimely information provided to SBIS by Customer, or its designee. SBIS assumes that all information provided to SBIS by Customer or its designee is complete and accurate. SBIS has no obligation to question the completeness or accuracy of the information provided by Customer or its designees. In addition, Customer shall, at least thirty (30) days prior to the effective date of any plan or premium rate change, notify SBIS of such plan or premium rate change.

(c) SBIS shall be responsible for transmitting or otherwise submitting all Customer Group health insurance membership and plan changes to the appropriate insurer – unless indicated otherwise on the Customer COBRA enrollment form.

Customer Cooperation. As necessary to assist SBIS with the administration of Customer's Group COBRA Insurance Programs, Customer shall cooperate with SBIS by providing SBIS with information, documentation and authority relating to Customer's Group Insurance Programs, insurers and claims administrators.

SBIS's COBRA Initial Notification Compliance Requirements. If requested by the Customer, upon receipt of a census form, SBIS shall send an initial notification to all employees enrolled in a group health plan.

SBIS's COBRA Qualifying Event Compliance Requirements. Upon receipt of a complete and accurate membership and/or plan change submitted by Customer, SBIS will make a determination as to whether the change constitutes a qualifying event, as that term is defined under COBRA. If the change constitutes a qualifying event, SBIS shall be responsible for handling all COBRA administration relating to the change and the COBRA-eligible Customer employee and qualified beneficiaries, including: providing notice of all COBRA rights and responsibilities, as required under COBRA; maintaining complete and accurate records of all notices, elections and other communications; providing premium due reminders and collecting and remitting COBRA premium; and terminating COBRA benefits.

Protected Health Information. Customer is subject to 45 CFR Parts 160, 162 and 164, issued by the U.S. Department of Health and Human Services under the authority of the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 (HIPAA). In the course of providing services to Customer under this Contract, SBIS may be required to use and/or disclose Protected Health Information ("PHI") of individuals received from Customer or created or received by SBIS on behalf of Customer. SBIS agrees (a) not to use or disclose PHI other than as permitted by this Contract or as required by law, (b) to use appropriate safeguards to prevent the use or disclosure of PHI other than as provided in this Contract, (c) as required by 45 CFR 164.530(f), to mitigate, to the extent practical, any harmful effect that is known to SBIS of a use or disclosure of PHI by SBIS in violation of this Contract, (d) to report to Customer any use or disclosure of which it becomes aware that is in violation of this Contract, (e) to ensure that any agent to whom it provides PHI agrees to the same restrictions and conditions that apply to SBIS with respect to PHI, (f) to provide access to PHI contained in a designated record set as requested by an individual in accordance with 45 CFR 164.524, (g) to make amendments to PHI contained in a designated record as requested by an individual in accordance with 45 CFR 164.526, (h) to provide an accounting of disclosures of PHI as requested by an individual in accordance with 45 CFR 164.528, (i) to provide Customer, in a timely and manner reasonably designed by Customer, information collected in accordance with this Contract to respond to a request by

an individual for access to PHI, amendment of PHI, or an accounting of disclosures of PHI, in accordance with 45 CFR 164.524, 164.526 and 164.528, (j) to make its internal practices, books and records relating to the use and disclosure of PHI available for inspection to determine compliance with the Privacy Rule, 45 CFR 164.500-534, and (k) shall immediately report a breach of unsecured PHI to the Customer in accordance with 45 CFR 164.400-.414, and agrees to mitigate any harmful effect of a use or disclosure of PHI by SBIS or its agents.

SBIS may use or disclose PHI to (a) perform functions, activities or services for, or on behalf of, Customer as specified herein, (b) carry out its legal responsibilities, (c) properly manage and administer SBIS, provided that such disclosures are required by law or SBIS obtains reasonable assurances from the person to whom the information is disclosed that the PHI will remain confidential, that the person will only use or further disclose the PHI as required by law or for the purpose for which it was disclosed, and that the person agrees to notify SBIS of any instances, of which it becomes aware, where the confidentiality of the information has been breached, (d) provide data aggregation services to Covered Entity as permitted by 45 CFR 164.504(e)(2)(i)(B), and (e) report violations of law to appropriate federal and state authorities consistent with 45 CFR 164.502(j)(1).

SBIS shall implement administrative, physical and technical safeguards that reasonably and appropriately protect the confidentiality, integrity and availability of any electronic PHI that it creates, receives, maintains or transmits to or on behalf of the Customer as required by HIPAA, and will comply with 45 CFR 164.308, .310, .312 and .316, in the same manner as such sections apply to Customer, pursuant to Section 13401(a) of the Health Information Technology for Economic and Clinical Health Act (Title XIII of the American Recovery and Reinvestment Act of 2009 (ARRA)), Pub L No 111-5, 123 Stat 115 (2009) ("HITECH"). SBIS further agrees to ensure that any agent to whom it provides such information agrees to implement reasonable and appropriate safeguards to protect it. SBIS agrees to promptly report to Customer any material security incident of which it becomes aware.

Customer shall provide SBIS with the notice of its privacy practices in accordance with the Privacy Rule (45 CFR 164.520), as well as any changes to that notice. Customer will notify SBIS of any restriction to the use or disclosure of PHI that Customer has agreed to (and any revocation of such restriction) in accordance with the Privacy Rule.

Indemnification and Liability. Except as otherwise provided in this Contract, SBIS will indemnify and hold Customer, its officers, and directors harmless against all direct monetary damages of a compensatory nature to the extent such damages are reasonably ascertainable and only to the extent that such damages are the direct and proximate result of a SBIS breach of administrative responsibilities, as defined in this Contract. Customer agrees to indemnify and hold SBIS, its officers, members, employees, agents, and assigns, harmless from and against all direct monetary damages of a compensatory nature in connection with any action, suit, administrative proceeding

or settlement related to the Customer's Group Insurance Programs for which SBIS provides administrative services or to the extent such damages arise from or are related to inaccurate or untimely submission by the Customer or its designee of information to SBIS.

Waiver and Limitation of Liability. Notwithstanding any agreement between the parties to the contrary, Customer's failure to reasonably discover or report any discrepancy or error in an SBIS billing statement, an SBIS monthly report, or the administration of services by SBIS within sixty (60) days after the discrepancy or error was made shall constitute a voluntary, knowing and intentional waiver of Customer's rights to hold SBIS liable for any claim, cause of action, or damages arising from the discrepancy or error.

Limitation of Liability: in all circumstances, regardless of whether the discrepancy or error was discovered or reported by Customer, SBIS's liability to Customer or to any third party for any discrepancy or error discovered in an SBIS billing statement, an SBIS monthly report, or the administration of services by SBIS shall be limited to an amount no greater than two (2) months of COBRA premium paid by Customer for the covered individual who is the subject of the discrepancy or error.

Notices. All notices shall be deemed duly given upon delivery if delivered by hand, or upon receipt if sent by United States mail, or upon the party's signature for a receipt if sent by certified mail, or upon receipt if served electronically via SBIS's secure website. All notices shall be sent to:

SBIS: Small Business Insurance Services
101 South Washington Sq., Suite 900 Lansing, MI 48933
(800) 362-5461 phone
www.sbam.org

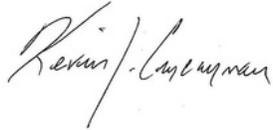
Customer: Company Name: _____
Address: _____
City: _____ State: _____ Zip: _____
Phone: _____ Email: _____

Term and Termination. The term of this Contract shall be one (1) year and shall automatically renew for one (1) year terms. Either party to this Contract may terminate the Contract upon thirty (30) days' written notice to the other party. SBIS and Customer agree that, upon termination of this Contract, it is infeasible for SBIS to return or destroy all original and copies of PHI due to SBIS's need to maintain records for compliance under this Contract and COBRA as well as other business reasons. Notwithstanding termination of this Contract, SBIS shall extend the protections pertaining to PHI under this Contract to further uses and disclosures of PHI.

Counterparts and Transmission. This Contract may be executed in any number of identical counterparts, any or all of which may contain the signatures of fewer than all of the parties, and all of which shall be considered as part of a single instrument. Execution of a facsimile counterpart or electronic transmission of this Contract shall be deemed execution of the original Contract. Facsimile or electronic transmission of an executed copy of this Contract shall constitute acceptance of this Contract. Customer specifically acknowledges and affirms that an electronic signature shall constitute acceptance of the terms and conditions set forth herein.

The parties have executed this Contract on the year and date written below.

SMALL BUSINESS INSURANCE SERVICES, L.L.C., a Michigan limited liability company

By: 

Name: Kevin Cuncannan

Its: Director of Member Care

Date: _____

MEMBER COMPANY NAME: _____

By: _____

Name: _____

Its: _____

Date: _____