

**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:

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 and check (or copy of a check indicating payment made to SBAM) for SBAM first year membership dues;
- (2) A completed COBRA Enrollment Form;
- (3) A completed and executed Group Census Form which includes a social security number, address, and birth date for each subscriber and their covered dependents
- (4) Current, renewal or new carrier premium rates for all insurance carriers with which Customer’s plan subscribers are enrolled; and corresponding Group health insurance plan numbers for each carrier;
- (5) An executed copy or original of this Contract; and
- (6) 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.

COBRA Administration Fees.

- Less than 100 subscribers - \$60 per month or \$720 per year
- More than 100 subscribers - \$75 per month or \$900 per year

The applicable administration fee will be invoiced to the Customer by SBIS on the 20th day of each calendar month, payable on the first day of the following calendar month. If the Customer 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, health plan premium rate changes, etc.) for its Group Insurance Programs to SBIS via facsimile at 517-483-8225 or Zix email.
- (b) Customer shall provide complete and accurate information on all membership and plan changes. Company 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 Group 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 designee. 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 plan membership and plan changes to the appropriate health insurer— unless indicated otherwise on the COBRA enrollment form.

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

SBIS's COBRA Initial Notification Compliance Requirements. If requested by the Customer, upon receipt of a census form in accordance with Paragraph 1, SBIS shall send an initial notification to all Customer's employees, as required by COBRA including the "60-day notice form".

SBIS's COBRA Qualifying Event Compliance Requirements. Upon receipt of a complete and accurate membership and/or plan change submitted by Customer in accordance with paragraph 3, 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 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 COBRA premium; and terminating COBRA benefits.

SBIS Reports to Customer. SBIS will provide online access to WebCOBRA for the Group to view COBRA activity, additionally SBIS will create, print and mail reports pertaining to Customer's COBRA activity.

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 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, or upon a printed verification if sent by facsimile.

All notices shall be sent to:

SBIS: Attn: Small Business Insurance Services
101 S. Washington Sq., Ste 900
Lansing, MI 48933
(800) 362-5461 phone
(517) 483-8225 fax

Customer:

(company name)

(address)

(city, state, zip)

(phone)

(fax)

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.

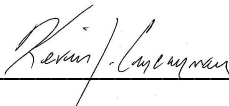
Counterparts and Transmission. This Contract may be executed in any number of identical counterparts, any or all of which may contain the signatures of fewer than all of the parties, and all of which shall be considered as part of a single instrument. Execution of a facsimile counterpart or electronic 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.

CUSTOMER

SMALL BUSINESS INSURANCE SERVICES, LLC

X: _____

X:  _____

By: _____

By: _____

Its: _____

Its: _____

Date: _____

Date: _____