



ROUNDSTONE

Thank you for choosing to renew your coverage with Roundstone.

As with your previous binding experience, we will need to get some paperwork out of the way. This package contains all the items you will need to get started. You can download and print the entire package or specific documents if you would like to forward for anyone's review.

Once all parties have executed these documents, a complete copy will be emailed to you. The documents include:

- 1. Your Roundstone Proposal** – Nothing to sign here, just included as a reminder of the coverage you selected.
- 2. The Application for Stop Loss Coverage** – This is the official application for insurance and will be incorporated into your stop loss contract. You will be prompted to fill in some information about your company and sign at the end.
- 3. Participation Agreement** – We need to ensure that we have the most up to date version of this document on file for your group. You will be prompted to fill in some contact information and provide your signature.
- 4. ACH Information Sheet** – Roundstone is able to send electronic reimbursements so you receive your claim reimbursement funds faster. If you choose this option, we will send an ACH form to your third party administrator (TPA) to gather all the relevant information. You will be prompted to choose ACH or check reimbursements and sign.
- 5. Renewal Plan Change Waiver Form** – This form lets us know if you will be moving forward with the current benefits you are providing for your employees or if there will be changes to them. You will be prompted to select one of the options on the form and sign at the bottom.

Roundstone, your advisor, and your TPA will work together to make sure the next steps of your renewal process go smoothly. We appreciate the opportunity to continue providing transparency and control to you and your employees. If you have any questions, please do not hesitate to ask.

We look forward to your continued partnership for the upcoming plan year.



Group Medical Captive Renewal Proposal

Employer: City of Jackson

Advisor: The Meyer Group, Inc.

Proposal #: 44326

Coverage Period: 1/1/22 - 12/31/22

Regional Practice Leader: Steven Sopko

Claims Administrator: Auxiant

Network/PBM: Southeast First Option/HealthLink/MedTrakRx

Client Manager: Susan Beech

Underwriter: Calli Gasparro

Specific Deductible: \$150,000



Current Snapshot

Roundstone values transparency — a merit often missing in our modern healthcare system. Our program allows you to see exactly how and where your health insurance dollars are being spent. We believe insight into your health benefits program offers your business greater control, helps improve your employees' well-being, and allows you to budget and plan accordingly for the years ahead.

CENSUS

121 ENROLLED EMPLOYEES

Down 8 employees from prior year.

EMPLOYEE AGE

44 YEARS OLD ON AVERAGE

No change from prior year.

MALE/FEMALE MIX

 = **102** MEN (Down 8 from prior year)

 = **19** WOMEN (No change from prior year)

TIER COUNT

Tier Type	2022	2021
Employee	62	68
Employee + Spouse	10	12
Employee + Child	31	32
Employee + Family	18	17

TOTAL CLAIMS PAID

\$916,351
THRU 9.30.2021

YOUR CLAIMS ACCOUNT (thru 9.30.2021)

Running Well
(0% to 59%)

Running Normal
(60% to 75%)

Running Hot
(76%+)

You are currently "running hot" paying out 104% of your annual projected claims.

MEDICAL vs. Rx SPEND (thru 9.30.2021)

 = **70%** (\$642,743)

 = **30%** (\$273,608) - The ratio of your RX spend is above the national avg.

PROJECTED SAVINGS* (since group inception)

\$162,739

*Data pulled from 20/20 report.



January Insight Pool: Current Snapshot

When you implemented your health insurance plan, you became a part of something big. You and your fellow Roundstone captive participants have banded together to take control of your healthcare costs - and it shows! Current captive participants in the Insight pool have **saved over \$32.6M since joining Roundstone**. You're in good company in the Insight pool with other mid-market employers like you — learn more below.

NUMBER OF EMPLOYERS IN POOL

273

TOTAL EMPLOYER GROUPS

INDUSTRY SUMMARY

Public • Private • Non-profit

insurance **real estate**
wholesale & retail
services
manufacturing **finance**

NUMBER OF LIVES IN POOL

57,180

TOTAL MEMBERS

POOL TESTIMONIALS

“Over the last five years, we’ve come up with some substantial savings by virtue of being self-insured. Our savings? \$329,905.”

Chief Executive Officer

Manufacturing

“We decided to switch in an effort to reduce costs while maintaining benefits plan quality for employees. We’ve saved almost \$3M in just 5 years. The way I look at it, every fifth year, I get a free year of insurance.”

VP of Human Resources

Manufacturing

PREVIOUS YEAR'S DISTRIBUTIONS

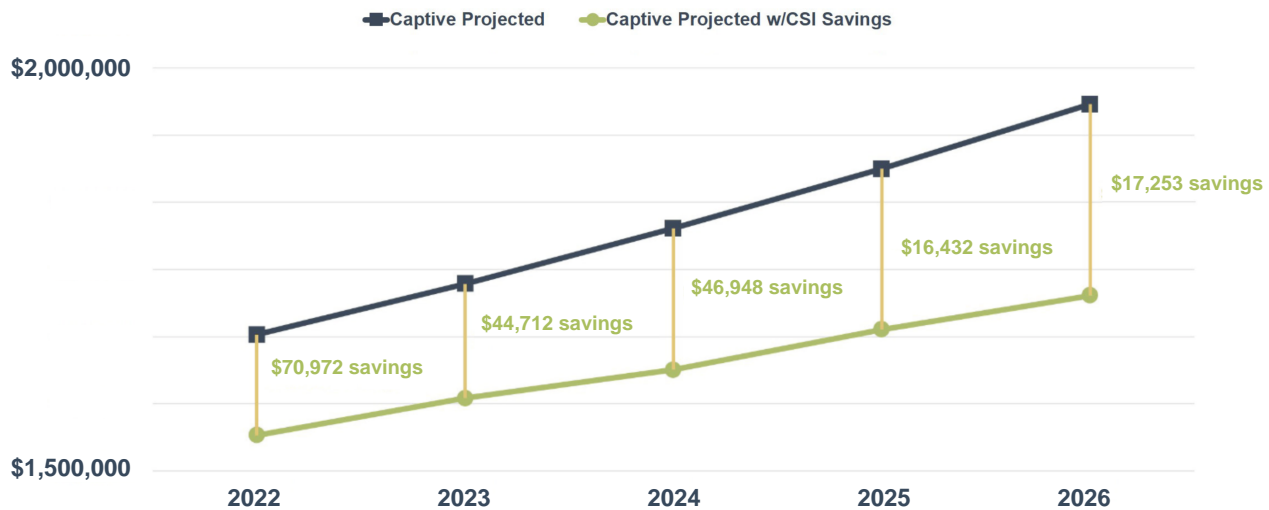
\$6.76M

PREMIUM RETURNED TO POOL PARTICIPANTS



Long-Term Savings through Cost Containment

You care about achieving long-term savings for your company and your employees, which is why you've made a sound decision by choosing captive insurance funding. To realize even greater savings opportunities and plan control, consider implementing low-cost, high-return cost containment solutions. Below is a projection of your health insurance costs after applying Roundstone's recommended cost containment strategies.



The CSI Team Delivers Cost Containment Solutions

Roundstone's CSI Team is made up of registered nurses, cost containment specialists, client managers, and the underwriting team - all available to help you translate your data into actionable insights.

CSI Dashboard Features:

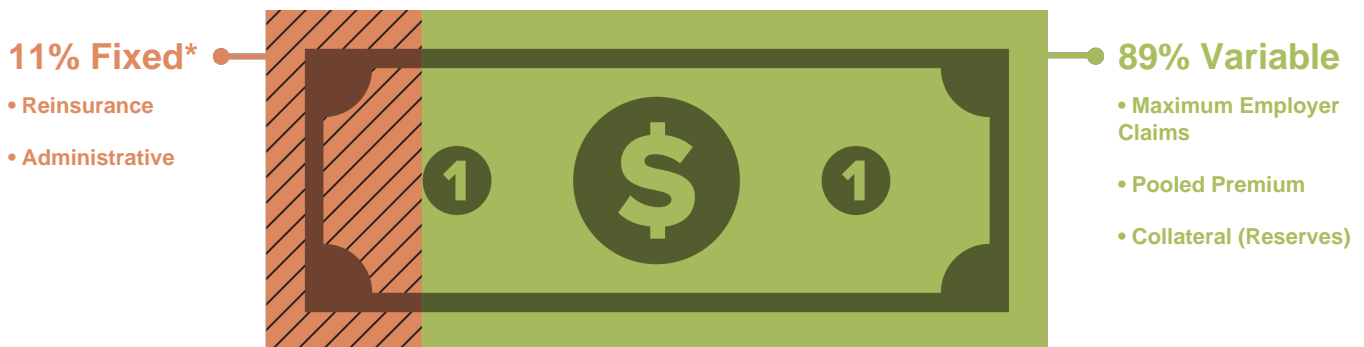
- **Automated Monthly Reporting:** Reports detailed by service type, claim category & condition.
- **Benchmarking:** Compare your claims spending to national benchmarks for performance assessment.
- **HIPAA-Compliant:** Individual employee claims remain anonymous.





Long-Term Savings with Variable Costs

One strength the group medical captive program delivers is enhanced variable cost funding. This allows for a greater return on savings over the long-term. All unused funds in the employer claims account are retained by the employer. Unused funds in the entire risk-sharing pool are also returned to each participating employer on a pro rata basis. The remaining 11% costs are fixed — a stark contrast from 100% fixed costs with traditional health insurance companies.



**In traditional, fully insured health insurance programs, all fees are 100% fixed with zero chance to recoup unused funds.*

Fixed vs. Variable Costs

Fixed Costs	Projected	Maximum	% of Maximum
Reinsurance	\$118,735	\$118,735	6%
Administrative	\$102,003	\$102,003	5%
TOTAL FIXED	\$220,738	\$220,738	11%

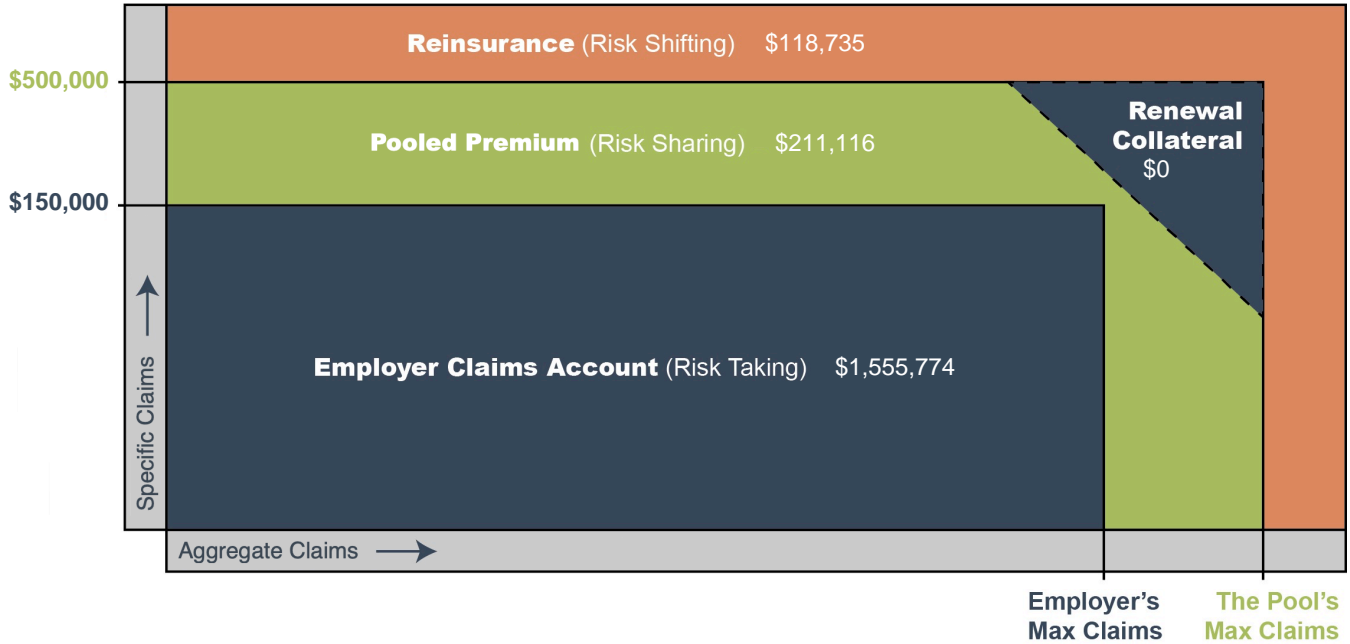
Variable Costs	Projected	Maximum	% of Maximum
Employer Claims	\$1,244,620	\$1,555,774	78%
Pooled Premium	\$190,591	\$211,116	11%
Renewal Collateral	\$0	\$0	0%
TOTAL VARIABLE	\$1,435,211	\$1,766,891	89%
TOTAL COSTS*	\$1,655,948	\$1,987,628	100%

**Over the past 10 years, less than 1% of our groups have hit the maximum.*



Long-Term Volatility Protection

The risk allocation chart is an illustration of the claim layers. Moderate sized claims are absorbed in the pooled premium layer. This means that you don't have to stand alone when it comes to less frequent but costly claims.



Cost Projection

It is important to focus on your actual costs when managing your health benefit plan for long-term savings. Still, projected costs are necessary for budgeting — see your renewal cost projection below compared to your current.

Annual Cost			
	Current Rates	Renewal Rates	Change from Current
Projected Cost	\$1,406,338	\$1,655,948	17.7%
Administrative	\$102,003	\$102,003	0.0%
Specific Premium	\$286,828	\$263,901	-8.0%
Aggregate Premium	\$52,272	\$65,950	26.2%
Max Employer Claims	\$1,233,009	\$1,555,774	26.2%
Savings			Comparison To Renewal Max
20/20 Savings Since Inception	\$162,739		-8.2%*

*This percentage is in comparison to the maximum renewal cost.



Detailed Plan Costs

Specific Deductible		\$150,000	\$150,000	\$150,000
Specific/Individual Coverage	Enrollment	Contract	Annualized	PEPM
Specific Contract Premium	121	\$263,901	\$263,901	\$181.75
Renewal Collateral (Reserves)		\$0	\$0	\$0.00
Aggregate Coverage	Enrollment	Contract	Annualized	PEPM
Aggregate Contract Premium	121	\$65,950	\$65,950	\$45.42
Max Employer Claims	121	\$1,555,774	\$1,555,774	\$1,071.47
Plan Costs	Enrollment	Contract	Annualized	PEPM
TPA Fee	121	\$59,169	\$59,169	\$40.75
Consultant Fee	121	\$42,834	\$42,834	\$29.50

Summary	Contract	Annual
Stop Loss Premium	\$329,851	\$329,851
Max Employer Claims	\$1,555,774	\$1,555,774
Plan Costs	\$102,003	\$102,003
Maximum Cost	\$1,987,628	\$1,987,628
PROJECTED COST	\$1,655,948	\$1,655,948
PROJECTED PEPM	\$1,140.46	\$1,140.46

Certain non-stop loss related costs are estimated based on the data provided. Employer's TPA or consultant can confirm or update these costs.



Plan Design

	POS-SE Health/HealthLink		HSA-SE Health/HealthLink	
	In Network	Out of Network	In Network	Out of Network
Deductible	2000	6000	2800	8400
Coinsurance	70%	50%	80%	50%
Out-of-Pocket Max	5000	15000	5000	15000
Drug				
Generic	10		SAAO	
Formulary	35		SAAO	
Non-Formulary	70		SAAO	

*SAAO = Same As Any Other

Optional Tiered Breakdown

Current Enrollment	POS-SE Health/HealthLink	HSA-SE Health/HealthLink
Single	45	17
Employee + Spouse	6	4
Employee + Child	23	8
Employee + Family	7	11
TOTAL ENROLLMENT = 121		
Projected Annual Costs	POS-SE Health/HealthLink	HSA-SE Health/HealthLink
Single	\$706.93	\$700.24
Employee + Spouse	\$1,484.55	\$1,470.52
Employee + Child	\$1,343.16	\$1,330.47
Employee + Family	\$2,120.78	\$2,100.75
TOTAL PROJECTED ANNUAL COSTS = \$1,655,948		
Midpoint (between Projected and Maximum)	POS-SE Health/HealthLink	HSA-SE Health/HealthLink
Single	\$777.73	\$770.37
Employee + Spouse	\$1,633.22	\$1,617.79
Employee + Child	\$1,477.68	\$1,463.71
Employee + Family	\$2,333.17	\$2,311.14
MIDPOINT = \$1,821,788		
Maximum Annual Costs	POS-SE Health/HealthLink	HSA-SE Health/HealthLink
Single	\$848.53	\$840.50
Employee + Spouse	\$1,781.90	\$1,765.06
Employee + Child	\$1,612.19	\$1,596.95
Employee + Family	\$2,545.57	\$2,521.53
TOTAL MAXIMUM ANNUAL COSTS = \$1,987,628		

*Collateral is not included



Terminal Liability Options

If indicated below, this offer includes Specific and Aggregate Terminal Liability Options, subject to the terms and conditions set forth in the stop loss contract. These options provide run-out coverage for covered expenses incurred prior to the stop loss contract termination date and paid within 90 days after the termination date. These options are void under early termination or moving to another self-funded arrangement. Option election must occur at least 60 days prior to the end of the contract period.

Specific Terminal Liability Option:

Provides 90 days of run-out on Specific Stop Loss Coverage. In consideration for the Specific Terminal Liability Option, the group will be required to pay additional specific premium of \$33,181 upon option election, in accordance with the terms of the Policy.

Aggregate Terminal Liability Option:

Provides 90 days of run-out on Aggregate Stop Loss Coverage. Aggregate factors for the run-out period will be calculated at the time of Option election. In consideration for the Aggregate Terminal Liability Option, the group will be required to pay additional aggregate premium of \$5,000.

Proposal Qualifications, Assumptions & Conditions

The issue date of this proposal is 1/1/2022 and will be valid through 12/31/2022.

Contract basis for aggregate 24/12.

Lines of coverage for aggregate Medical, RX Card.

This quote uses an aggregate attachment corridor of 125%.

The minimum aggregate attachment point is equal to 100% of the calculated attachment point using the final census.

Contract basis for specific 24/12.

Lines of coverage for specific Medical, RX Card.

Maximum Annual Reimbursement: Aggregate=\$1,000,000/Specific=Unlimited.

The Stop-Loss Carrier is ANICO.

Notwithstanding the specified Specific Deductible for this group, the following individual claimants will be subject to the corresponding Specific Deductibles set forth below:

RS01 - \$225,000

Claim amounts between the \$150,000 group Specific Deductible and the individual claimant Specific Deductible listed above will not accrue toward the Annual Aggregate Attachment Point.

Typographical errors or omissions in this proposal are not binding and, in such instance, a revised proposal will be issued to correct.

Certain non-stop loss related costs are estimated based on the data provided. Employer's TPA or consultant can confirm or update these costs.



Conditions

If the rates are not being locked-in, the following information, as of the renewal date, must be provided to Roundstone no later than 30 days after the renewal date.

Monthly paid medical and prescription drug claims experience and monthly enrollment. We reserve the right to recalculate the specific rates and aggregate factors if the last 2 months of paid claims experience in the current year varies by more than 10% of the monthly average paid claims for the previous 10 months.

Large claims greater than \$10,000 with Diagnosis/Prognosis.

Pended claims and large case management reports.

Final census with plan selection and coverage type. Final rates and factors are subject to revision if final enrollment varies by more than 10% from proposed enrollment.

Signed and approved application for Stop Loss Insurance Coverage.

Plan Document, including all amendments, for the renewal year. Roundstone will not provide a Stop Loss Contract, or adjudicate or pay a reimbursement claim, until all applicable signed Plan Documents with all amendments are submitted and approved. If there are no changes in the Plan Document from the expiring year, a letter indicating so is sufficient.

Retirees are included.

This proposal is based upon the plan benefits identified in this proposal.

Assumes no material changes to the current plan document.

The terms of this offer are tentative and based on the information and data provided to Roundstone. This offer is subject to change upon receipt and review of additional information requested. All required information must be received by us within the time period indicated, otherwise we reserve the right to withdraw terms and return any premiums remitted.

The terms of this offer are subject to revision if there is a change in the coverage period or plan benefits.

Specific coverage includes Advanced Funding courtesy, which assists policy holders with funding of eligible catastrophic specific excess loss claims by expediting the reimbursement process.

State implemented surcharges, pool charges and/or covered lives assessments may not be covered under the stop loss contract.

Commissions are not included in the stop loss premium.

Minimum participation is 75% of eligible employees, excluding valid waivers.

Plan engagement of an approved third-party claims administrator.

Plan must have pre-certification, utilization review and large case management.

The Tiered Breakdown is an estimate based on costs calculated using information provided by the employer and its agents at the time of submission. Actual costs may vary based on final enrollment, plan designs selected, and group specific utilization, which would alter the Tiered Breakdown calculation.

Coverage is contingent upon our receipt of collateral.

Roundstone is the contracted agent of the insurance carrier.

Additional Requirements:

Full eligibility census with valid waiver reasons required to bind coverage, must meet minimum participation percentage.

No renewal collateral is due.

This proposal assumes the PEPM structure for Southeast First Option, not a percentage of savings.

In-network claims will be paid at the provided contracted rate for the hospital or Healthlink pricing for all in network.

This proposal assumes that Saint Francis Medical Center and its affiliated partners are OUT OF NETWORK.

This proposal assumes the out of network claims are reimbursed at a percentage of Medicare, up to 140% of Medicare.

Laser Cap Option included on renewal.

AMERICAN NATIONAL LIFE INSURANCE COMPANY OF TEXAS

One Moody Plaza • Galveston, Texas 77550
 (herein called the "Insurer")

APPLICATION FOR EXCESS LOSS INSURANCECompany: **City of Jackson**Proposal Date: **11/3/2021**

Address:

Treaty Inception Date: **01/01/2022**Treaty Expiration Date: **12/31/2022**

Treaty Number:

City:

State:

Zip Code:

Application is hereby made for a insurance Treaty as specified below, subject to approval by the Insurer. Coverage is only applicable to the category for which a retention amount is shown, and such retention amount is applicable only to the Treaty Period. If the Treaty is renewed, the retention amounts for subsequent Treaty Periods will be determined annually by the Insurer, and a new Application will be signed. If no retention amount is shown, coverage is not provided for that category.

(A) SPECIFIC EXCESS COVERAGE

- 1) Medical
 Prescription (pre-paid) Card Service (included in medical if shown on proposal)
 Through _____
 (Name of Service Company)
- 2) Specific Retention Amount per Covered Person for the Treaty Period \$ 150,000
- 3) Reimbursement Factor: Percent of payments in excess of the Specific Retention Amount 100%
- 4) Specific Maximum Limit per Covered Person \$UNLIMITED
- 5) Treaty Payment Basis
 Incurred on or after the Inception Date of the Treaty Period and Paid within the Treaty Period
 Incurred within the Treaty Period and Paid within the Treaty Period plus _____ months following the Expiration Date of the Treaty Period
 Paid within the Treaty Period
 Paid within the Treaty Period, with Claims limited to those incurred 12 months prior to the Treaty Inception Date and to \$ unlimited per Covered Person

6) Specific Excess Loss Premium Rates Payable for the Treaty Period
Payment Mode:

Monthly

<u>Covered Unit</u>	<u>Number of Units</u>
<input type="checkbox"/> Employee	\$ _____
<input type="checkbox"/> Employee + Spouse	\$ _____
<input type="checkbox"/> Employee + Child	\$ _____
<input type="checkbox"/> Family	\$ _____
<input checked="" type="checkbox"/> Composite	\$ 181.75 121

7) Minimum Insurance Treaty Period Specific Stop Loss Premium \$N/A

(B) AGGREGATE EXCESS COVERAGE

1) Coverages of the Benefit Plan to be included:

Medical Dental Short Term Disability Vision
 Prescription (pre-paid) Card Service (included in medical if shown on proposal)
 Through _____
 (Name of Service Company)

2) Monthly Aggregate Retention Amount Factor:

	Medical	Dental	STD	Other
Single	\$ _____	\$ _____	\$ _____	\$ _____
Family	\$ _____	\$ _____	\$ _____	\$ _____
Composite	\$ 1,071.47	\$ _____	\$ _____	\$ _____

3) Minimum Insurance Treaty Period Aggregate Premium \$N/A

4) Number of Initial Covered Units:

	Medical	Dental	STD	Other
Single	_____	_____	_____	_____
Family	_____	_____	_____	_____
Composite	121	_____	_____	_____

5) Estimated Initial Annual Aggregate Retention Amount \$ 1,555,774

6) Minimum Annual Aggregate Retention Amount \$ 1,555,774

7) Percentage Applicable to Minimum Annual Aggregate Retention Amount 100%

8) Reimbursement Factor: Percent of payments in excess of the Annual Aggregate Retention Amount 100%

Maximum Limit of Reimbursement Liability \$1,000,000

9) Benefit Payment Basis

- Incurred on or after the Inception Date of the Treaty Period and Paid within the Treaty Period
- Incurred within the Treaty Period and Paid within the Treaty Period plus _____ months following the Expiration Date of the Treaty Period
- Paid within the Treaty Period
- Paid within the Treaty Period, with claims limited to those incurred _____ months prior to the Treaty Inception Date and to \$ 1,000,000 .

- 10) Composite Monthly Aggregate Premium Rate
Per Employee Per Month \$ 45.42 PEPM
- 11) Aggregate Accommodation Option Yes No \$ 0.00 PEPM
- 12) Aggregate Terminal Liability Option Yes No \$ 0.00
- 13) Total Aggregate Premium \$ 45.42 PEPM

Aggregate Premium Payment Mode: Monthly

(C) PERSONS TO BE COVERED—Unless otherwise indicated and approved by the Insurer, this Treaty covers employees who are Actively at Work and dependents who are not hospital confined. This Treaty is not intended to cover persons who cannot meet a “normal life activity” requirement whether a covered employee/dependent, retired employee or COBRA beneficiary. Disabled persons are excluded unless disclosed and endorsed on the Qualification of the Offer.

Application is made to cover:

	Yes	No
Retired Employees	<input checked="" type="checkbox"/>	<input type="checkbox"/>
COBRA Beneficiaries	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Disabled Persons	<input type="checkbox"/>	<input checked="" type="checkbox"/>

(D) THIRD PARTY ADMINISTRATOR OF THE PLAN

Name: Auxiant

Address: _____

City/State/Zip: _____

Telephone: _____

(E) MANAGING GENERAL UNDERWRITER (MGU)

Name: Roundstone Management, Ltd.

Address: 15422 Detroit Avenue

City/State/Zip: Lakewood, OH 44107

Telephone: 440-617-0333

(F) DEPOSIT

A Deposit of \$ 27,487.57 is enclosed to apply toward Applicant's obligations under this Treaty.

This Application and attached Qualification of the Offer (if any) are an integral part of this Treaty.

Signed at _____

City of Jackson
Applicant (correct legal name)

Date _____

By (Officer's name and title)

Applicant's Agent of Record

(G) CONDITIONS & LIMITATIONS

This treaty application assumes the PEPM structure for Southeast First Option, not a percentage of savings.

In-network claims will be paid at the provided contracted rate for the hospital or Healthlink pricing for all in network.

This treaty application assumes that Saint Francis Medical Center and its affiliated partners are OUT OF NETWORK.

This treaty application assumes the out of network claims are reimbursed at a percentage of Medicare, up to 140% of Medicare.

Notwithstanding the specified Specific Retention Amount for this group, the following individual claimants will be subject to the corresponding Specific Retention Amounts set forth below:

RS01 - \$225,000

Claim amounts between the \$150,000 group Specific Retention Amount and the individual claimant Specific Retention Amount listed above will not accrue toward the Annual Aggregate Retention Amount.

PARTICIPATION AGREEMENT

ROUNDSTONE INSURANCE LTD.

IN RESPECT OF SEGREGATED ACCOUNT #AN0001

THIS PARTICIPATION AGREEMENT (this “Agreement”) is made as of the date indicated on the signature page (the “Effective Date”), by and between the undersigned (the “Participant”) and Roundstone Insurance Ltd. in Respect of Segregated Account #AN0001, a corporation organized under the laws of Bermuda and licensed as a Class III segregated account company insurer.

RECITALS

WHEREAS, the Segregated Account (as defined below) sponsors a group captive insurance program to provide reinsurance coverage on behalf of one or more participants. The Participant and/or its affiliates will purchase insurance from one or more insurance companies reinsured by the Segregated Account. These insurers (“Fronting Insurers”) will cede a portion of the insurance risk pursuant to one or more Reinsurance Agreements to the Segregated Account; and

WHEREAS, this Agreement sets forth the terms and conditions for participation in the Segregated Account as part of the Group Captive Insurance Program; and

WHEREAS, the parties to this Agreement intend that this Agreement shall be a governing instrument for the purposes of the Bermuda Segregated Account Act and the Participant shall be a beneficial owner of the Segregated Account within the meaning of the Bermuda Segregated Account Act.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants set forth below, the parties to this Agreement hereby mutually covenant and agree as follows:

1. **Definitions.**

(a) “Aggregate Reinsurance Expenses” means the premium and fees charged by the Fronting Insurer, or other reinsurer, to provide aggregate reinsurance to the segregated account.

(b) “Assumed Premium” means the reinsurance premium ceded by a Fronting Insurer to the Segregated Account for reinsurance of the Insurance Program’s risks pursuant to the terms and conditions of one or more Reinsurance Agreements.

(c) “Assumption Obligation” means all amounts payable by the Segregated Account for a release, assumption, termination or commutation of liabilities and obligations under a Reinsurance Agreement.

- (d) “Bermuda Monetary Authority” means the governing insurance regulatory authority of the Bermuda Government.
- (e) “Captive Participants” means collectively the Participant and all other participants in the Segregated Account.
- (f) “Captive Retained Premium”: means ceded premium less any excess reinsurance premium remitted by Fronting Insurers
- (g) “Ceding Commission” means an amount payable to the Fronting Insurer for reimbursement of acquisition costs, pursuant to the Reinsurance Agreement with respect to the Segregated Account.
- (h) “Expense Allocation Formula” means the formula allocating the Segregated Account’s expenses over an Underwriting Year as set forth in the attached Exhibit A, which is incorporated by reference and made a part of this Agreement.
- (i) “Fronting Insurer” means the Policy issuing company which reinsures a portion of the Insurance Program’s risk to the Segregated Account through one or more Reinsurance Agreements.
- (j) “Group Captive Insurance Program” or “Insurance Program” means the group captive insurance program known as the Roundstone Mid Market Med Group Captive that is described in this Agreement and pursuant to which, among other things, Participant (i) shares with Captive Participants in the underwriting results, positive and negative, on the Risk, (ii) shares in the Investment Income, positive and negative, and (iii) provides collateral with Captive Participants to secure obligations above the Loss Fund.
- (k) “Indemnity Obligation” means the obligations described in Section 3 hereof.
- (l) “Indemnity Collateral” means the assets supplied by Captive Participants to the Segregated Account to support their Indemnity Obligation.
- (m) “Investable Assets” means funds on deposit consisting of Assumed Premium, cash Indemnity Collateral, and investment income less Aggregate Reinsurance Expenses, Segregated Account Expenses, paid Losses, and paid Federal Income Tax, if any.
- (n) “Investment Income Allocation Formula” means the formula as set forth on the attached Exhibit A.
- (o) “Investment Policy” means the policy for investment of the assets allocated to the Segregated Account, as set forth on the attached Exhibit A.

- (p) “Loss” or “Losses” means loss and loss adjustment expenses, and any other indemnity-related amount payable pursuant to a Reinsurance Agreement with respect to the Segregated Account.
- (q) “Loss Fund” means the Assumed Premiums plus any investment income less Ceding Commission, Aggregate Reinsurance Expenses, Segregated Account Expenses, investment loss, Losses, and Reserves.
- (r) “Net Assumed Premium” means the reinsurance premium ceded by a Fronting Insurer to the Segregated Account for reinsurance of the insurance program’s risks pursuant to the terms and conditions of one or more reinsurance agreements less any excess reinsurance premium ceded by the Segregated Account.
- (s) “Notice of Indemnity Payment Due” means the Segregated Account’s request for the Indemnity Collateral payment from the Participant to cover the Participant’s Indemnity Obligation.
- (t) “Policy” or “Policies” means the policy or policies of insurance issued by the Fronting Insurer for the Insurance Program to or on behalf of the Captive Participants and/or their affiliates, and which all or a portion is reinsured by the Segregated Account under a Reinsurance Agreement.
- (u) “Segregated Account” means the separate account established and maintained by Roundstone Insurance Ltd., pursuant to the Bermuda Segregated Account Company Act, which shall be referred to as Segregated Account #AN0001.
- (v) “Segregated Account Expenses” means those expenses necessary for the operation and management that are attributable to the Segregated Account as set forth in Section 2(d).
- (w) “Reinsurance Agreement” means a reinsurance agreement between a Fronting Insurer and the Segregated Account entered into as part of the Group Captive Insurance Program.
- (x) “Reserves” means both the premium reserve and the loss and loss adjustment expense reserve reported by the Segregated Account on its financial statements, and any other amounts described in Section 4.
- (y) “Risk” means the portion of liability by a Policy which is reinsured by the Segregated Account.
- (z) “Run-off Period” means the period beginning on the first date that no Policies are in force, continuing until all Segregated Account obligations under this Agreement have been fully satisfied or terminated.

(aa) “Termination Date” means the effective date of termination of this Agreement as defined in Section 7.

(bb) “Underwriting Year” means the fiscal year of the Segregated Account, which ends on December 31 of each year. Each Policy will be assigned to one Underwriting Year. All premiums and losses from Policies assigned to an Underwriting Year shall be credited or charged, respectively, to such Underwriting Year, regardless of the date premiums earn or losses occur. A Policy with an original contract term of more than twelve (12) months shall be assigned to the later Underwriting Year, regardless of whether the Policy terminates early.

2. Establishment of and Accounting for Segregated Account.

(a) Establishment of a Segregated Account. Roundstone Insurance Ltd. will establish Segregated Account #AN0001 for the Group Captive Insurance Program for purposes of this Agreement and Bermuda law governing segregated account captive insurance companies. The Segregated Account will be accounted for separately in the books and records of Roundstone Insurance Ltd. to reflect the financial condition and results of operations of such Segregated Account and such other factors as may be required by Bermuda law, regulation, or the Bermuda Monetary Authority. The assets of each Segregated Account will not be chargeable with liabilities of Roundstone Insurance Ltd. or any other segregated account of Roundstone Insurance Ltd., and the assets of Roundstone Insurance Ltd. and any other segregated account of Roundstone Insurance Ltd. will not be subject to any liabilities of the Segregated Account. The Participant has no rights with respect to assets in the Segregated Account other than as expressly provided in this Agreement.

(b) Accounting for Activity in the Segregated Account. The Segregated Account will reflect in its books and records: Assumed Premium, Indemnity Collateral (including the value of assets tendered by Captive Participants pursuant to Section 4), Segregated Account Expenses, Losses, Reserves, Ceding Commission, distributions to Captive Participants, and such other items that may be required under this Agreement or by law to accurately reflect the reinsurance activities with respect to the Segregated Account.

(c) Availability of Assets in the Segregated Account. All assets in the Segregated Account will be available to support the Group Captive Insurance Program obligations under the Reinsurance Agreements, unless otherwise required by law, regulation or order of the Bermuda Monetary Authority.

(d) Charges to the Segregated Account. For each Underwriting Year the Participant’s share of Assumed Premium shall pay its allocable share of the Segregated Account Expenses as shown in Exhibit A. In addition, Segregated Account Expenses shall include all Assumed Premium, less Ceding Commission

and Aggregate Reinsurance Expenses, attributed to the aggregate accommodation in the Policy for each participant that elects aggregate accommodation.

3. Participant's Indemnity Obligation.

(a) Indemnity Obligation. In consideration for the Segregated Account's distributions to the Participant, if any, as provided in Section 6 and the Participant's participation in the Group Captive Insurance Program, the Participant hereby agrees, to the extent of the Participant's share of Assumed Premium and Indemnity Collateral, to indemnify, defend and hold the Segregated Account and Roundstone Insurance Ltd. harmless against all of the following (together, the "Indemnity Obligation"):

(i) any and all obligation or liabilities of the Segregated Account to pay any Loss pursuant to a Reinsurance Agreement;

(ii) any and all obligation or liability to make any payment with respect to an Assumption Obligation made on behalf of the Segregated Account;

(iii) all Segregated Account Expenses, including any taxes allocable to the Segregated Account;

(iv) to the extent not covered in subsections (i), (ii), and (iii) above, any claims, demands, actions, proceedings, liability, losses (including attorneys fees, disbursements and court costs), damages, fines and penalties made or instituted against or incurred by the Segregated Account, arising out of the Group Captive Insurance Program, including but not limited to any indemnifiable obligation incurred or payable by the Segregated Account in connection with a Reinsurance Agreement or incurred by the Segregated Account in enforcing its rights under this Agreement or a Reinsurance Agreement.

(b) Duration of Indemnification Obligation. Notwithstanding any termination of this Agreement, the Participant's Indemnity Obligation will remain in full force and effect until all of the Participant's obligations to the Segregated Account under this Agreement are satisfied pursuant to the terms of this Agreement.

(c) No Modifications. The Indemnity Obligation will not be affected, modified or impaired by any of the following:

(i) the waiver, compromise, settlement, release, modification, termination or extension of time for performance of any Captive Participant's obligations under this Agreement;

(ii) the taking of, or the omission to take, any of the actions referred to in this Agreement;

(iii) any failure, omission or delay on the part of the Segregated Account to enforce, assert or exercise any right, power or remedy conferred on the Segregated Account pursuant to this Agreement, including without limitation, a failure to institute an action before expiration of the statute of limitations governing the underlying obligation;

(iv) the voluntary or involuntary liquidation, dissolution, sale or other disposition of all or substantially all the assets, marshaling of assets and liabilities, receivership, insolvency, bankruptcy, assignment for the benefit of creditors or readjustment of debts, or other similar proceedings affecting the Participant or any of its assets, or any allegation or contest of the validity of this Agreement; or

(v) the assignment by the Segregated Account of its rights under this Agreement.

(d) Assurance of Payment. Participant's Indemnity Obligation will not be contingent on the Segregated Account first making any payment to any third party to discharge, in whole or in part, any of the Segregated Account's liabilities or obligations covered by the Indemnity Obligation.

(e) No Recovery of Payments. Except in regard to distributions and return of collateral as specifically provided for in this Agreement, the Participant will have no right to recover any or all of the amounts paid by the Segregated Account with respect to any Indemnity Obligation attributable to any other Captive Participant.

(f) Reasonable Assurances. At any time, the Segregated Account may request from the Participant reasonable assurances of the Participant's ability to remit unpaid Indemnity Collateral in a timely manner as provided in this Agreement. Such request may specify the means for the Participant to demonstrate its ability to meet such obligations. Within thirty (30) days of the date of such request, the Participant will provide the Segregated Account with a written statement including the information specified in the Segregated Account's request and such other information that demonstrates, to the satisfaction of the Segregated Account in its sole discretion, the Participant's ability to meet such obligations.

(g) Indemnity Collateral. The Segregated Account shall be provided with Indemnity Collateral for an Underwriting Year based on the Segregated Account's estimate of Participant's obligations under this Agreement. Within ten (10) days of the execution of this Agreement, Participant shall deposit its Indemnity Collateral in cash with the Segregated Account to secure the Participant's Indemnity Obligations contained in this Section 3. Participant may be required to deposit additional Indemnity Collateral in the event its Policy is re-underwritten due to a change in covered benefits or increased census. Prior to the beginning of each Underwriting Year, the Segregated Account will review the

Indemnity Collateral required for that Underwriting Year as well as the Indemnity Collateral still required for prior Underwriting Years. If the Indemnity Collateral for prior Underwriting Years exceeds the Indemnity Obligations, the Segregated Account will allow this excess Indemnity Collateral from prior Underwriting Years to be credited toward the Indemnity Collateral required for the next Underwriting Year. Any amount not credited to the Indemnity Collateral for the next Underwriting Year shall be refunded to the Participant. Subject to the collateral requirements of the Fronting Insurer, the Indemnity Collateral shall be maintained by the Segregated Account in the Segregated Account's bank account separate and apart from all other segregated account or general account assets of Roundstone Insurance Ltd.

4. Duty to Maintain Reserves. The Captive Participants agree to the maintenance of assets in the Segregated Account with a value equal to the Reserves with respect to all Risk. Such Reserves will be determined by the Segregated Account in accordance with generally accepted actuarial standards, consistently applied. The Segregated Account will have full discretion to determine whether assets tendered for deposit with the Segregated Account are acceptable, and its determination of fair market value of any assets other than cash, cash equivalents and publicly traded securities will be binding on the Participant. The Participant will disclose to the Segregated Account whether any assets tendered to the Segregated Account are subject to any lien, security interest or other encumbrance, and the Segregated Account will not be required to accept such assets. All acceptable assets will be allocated to the Segregated Account.

5. Risk Sharing.

(a) Application of Assets in Segregated Account. The Segregated Account will apply the assets in the Segregated Account against any liability within the Captive Participants' Indemnity Obligations. The hierarchy of Loss application shall be first to the Loss Fund and then to the Indemnity Collateral.

(b) Reinsurance Claim Settlements. The Segregated Account will have full authority to pay or settle Losses and expenses and allowances in response to a claim for benefits under a Reinsurance Agreement without consulting the Participant, in a manner the Segregated Account deems reasonable and prudent to discharge in good faith its obligations under a Reinsurance Agreement.

(c) Notice of Indemnification Payment Due. In the event additional Indemnity Collateral is required from Participant pursuant to Section 3(g), the Segregated Account will notify the Participant in writing describing the basis and the amount due (the "Notice of Indemnity Payment Due").

(d) Payment to the Segregated Account. Within ten (10) days of receipt of a Notice of Indemnity Payment Due, the Participant will make a cash payment to the Segregated Account of the amount due as stated in such notice. Neither the Segregated Account's application of assets as provided in Section 3(a) nor the acceptance of payment in an amount less than the amount stated in such notice

will be deemed a compromise or waiver by the Segregated Account of its rights to payment in full.

(c) Investments. The assets allocated to the Segregated Account, including cash Indemnity Collateral, will be invested by the Segregated Account according to the Investment Policy, which may be amended or modified from time to time as in accordance with Bermuda law. Any income, gain or loss from investments after deduction for investment expenses will be allocated to the Segregated Account. Subject to Bermuda law and the approval of the Bermuda Monetary Authority if required, the Segregated Account will have full discretion to direct the investment of all Segregated Account assets. The Participant acknowledges that the Segregated Account and Roundstone Insurance Ltd. do not warrant or guaranty the performance of the investment results, nor do they assume responsibility for positive results of the investments. Participant, and any receiver, trustee, creditor, or any similar party with a claim through, by, or on behalf of Participant, shall have no claim against, right to, or ownership interest in the Segregated Account's investments or any assets therein other than as expressly provided in this Agreement.

6. Distributions to Participants. Subject to the terms and conditions of this Section 6, Bermuda Law and the Reinsurance Agreement, the Segregated Account will distribute assets to a Participant as consideration for the Participant's Indemnity Obligations under Section 3. The distribution to each Participant shall be determined for each Underwriting Year by multiplying each Participant's pro rata share of the Segregated Account's Assumed Premium by the Operating Profit for this Segregated Account and Roundstone Segregated Account NW0001. Operating Profit shall be determined under the following formula (the "Operating Profit"):

- (i) Assumed Premiums;
- (ii) Plus net investment income or loss on Investable Assets;
- (iii) Less Ceding Commissions;
- (iv) Less Aggregate Reinsurance Expenses;
- (v) Less Segregated Account Expenses;
- (vi) Less assumed Losses and Reserves; and
- (vii) Less any allocated Tax.

If the distribution would cause the Segregated Account's Loss Fund to be negative for the Underwriting Year, no distribution will be made.

The Segregated Account shall endeavor to determine one hundred percent (100%) of the distribution within six (6) months following the conclusion of an Underwriting Year, and the distribution will be paid as soon as f practicable thereafter. Notwithstanding anything herein to the contrary, the Segregated Account shall not cause any distribution where the effect of such distribution would cause the value of the assets in the Segregated Account to fall below the Segregated Account's required Reserves and required Indemnity Collateral. Any distribution pursuant to this Section 6 will reduce the balance of assets in the Segregated Account by the amount of such distribution.

7. Term and Termination.

(a) The Participant and/or its affiliates may terminate the Policy under its terms at any time, at which time this Agreement is also terminated.

(b) Term. The term of this Agreement will begin on the Effective Date and will continue until this Agreement is terminated as provided in this Section 7.

(c) Termination. Subject to Bermuda Law, this Agreement may be terminated:

(i) by the Segregated Account immediately upon written notice to the Participant in the event the Participant fails to provide the Indemnity Collateral required under Section 3(g), or fails to provide reasonable assurances as provided in Section 3(f); or

(ii) immediately by either party upon written notification to the other that: (1) a petition in bankruptcy or insurer insolvency has been filed by or against a party, (2) an action or proceeding for dissolution has been instituted by or against a party, or (3) an assignment for the benefit of creditors is made by either party.

In case of termination pursuant to Sections 7(c)(i) or 7(c)(ii), the Termination Date will be the date of the written notice.

(d) Termination for Cancellation or Termination of Reinsurance. This Agreement will terminate upon cancellation or termination of all Reinsurance Agreements, in which case the Termination Date will be the effective date of cancellation or termination of the last of the Reinsurance Agreements.

(e) Termination Due to Regulatory or Legal Requirements. Either party may terminate this Agreement immediately if this Agreement is determined to be contrary to any applicable federal law, rule, regulation or order, as finally determined by a court or administrative agency of competent jurisdiction, or as interpreted by the written opinion of competent legal counsel reasonably chosen by the Segregated Account or the Participant. If this Agreement is determined to be contrary to any applicable law, rule, regulation or order of a state or state administrative authority in which the Segregated Account or the Participant is doing business, as finally determined by a court or administrative agency of competent jurisdiction or as interpreted by the written opinion of competent legal counsel reasonably chosen by the Segregated Account or the Participant, both parties agree that this Agreement shall be terminated immediately with respect to such state(s) only and shall continue in effect with respect to all other states in which this Agreement has not been so determined to be illegal; provided, however, the Segregated Account may terminate this Agreement immediately if: (a) due to this Agreement, any order has been issued by a state court or state

administrative agency which would jeopardize the Segregated Account's ability to do business in such state, (b) the Segregated Account's ability to meet its obligations under a Reinsurance Agreement is, in the sole opinion of the Segregated Account, impaired because this Agreement has been determined to be illegal in one or more states, or (c) the Segregated Account is ordered to terminate this Agreement by the Bermuda Monetary Authority or any other regulatory authority in the State of Bermuda. A party terminating this Agreement pursuant to this Section 7(e) will provide written notice to the other party, the date of which notice will be the Termination Date.

(f) Liability of Parties on Termination.

(i) If the termination of this Agreement occurs in connection with the termination of or assumption by the Participant, the Fronting Insurer or any third party of all of the Segregated Account's liabilities and obligations under all Reinsurance Agreements ("Reinsurance Obligations") in a manner acceptable to the Segregated Account, then:

- (1) within thirty (30) days of the later of the Termination Date or the date on which all of the Reinsurance Obligations are discharged without any further liability, the Segregated Account will provide the Participant with a written accounting of all amounts due to the Segregated Account from the Participant, and all amounts due to the Participant from the Segregated Account;
- (2) within thirty (30) days of the delivery of such accounting, Participant will execute and deliver to the Segregated Account a waiver and general release of claims in favor of the Segregated Account and Roundstone Insurance Ltd. ("Release Parties"), in a form acceptable to the Released Parties, such that the Release Parties have no further liability to the Participant, and
- (3) upon delivery of such waiver and general release, each party will make payment in full of any amount due to the other party pursuant to such accounting.

At the time the Reinsurance Obligations are terminated or assumed by the Participant, the Fronting Insurer or a third party, the provisions of Section 7(f)(i)(1) through (3) will apply, with the "Termination Date" being the effective date that the Segregated Account's obligations under the last of all such Reinsurance Agreements are terminated or assumed.

(ii) If this Agreement is terminated without an assumption or termination of the Reinsurance Obligations on terms acceptable to the Segregated Account, then as of the Termination Date:

- (1) the Segregated Account's obligation to make distributions to the Participant shall be subject to the requirements set forth in Section 6 of this Agreement; and
- (2) the Participant's Indemnity Obligation will continue in full force and effect until such time as the Released Parties have been indemnified in full as provided in this Agreement.

(iii) Notwithstanding any provision of this Section 7, the Participant's Indemnity Obligation will survive the termination of this Agreement in accordance with Section 3(b) of this Agreement.

8. Regulatory Requirements. The Participant hereby acknowledges and agrees to the following regulatory requirements:

(a) Roundstone Insurance Ltd. will file with the Bermuda Monetary Authority such financial reports as the Bermuda Monetary Authority may require, including, without limitation, accounting statements detailing the Segregated Account's financial experience; and

(b) Roundstone Insurance Ltd. will notify the Bermuda Monetary Authority in accordance with applicable law when the Segregated Account and/or the Participant fail to maintain their Reserves, are insolvent or otherwise unable to meet Indemnity Obligations under Section 3(a) as determined by the Segregated Account;

9. Access to Records.

(a) Participant's Access to Records of the Segregated Account. Quarterly financial results for the Segregated Account will be provided that will contain sufficient detail for Participant to confirm and verify the allocation of expenses, payment of claims, receipt of premium and recognition of distributions that are allocated to the Segregated Account under the terms of this Participation Agreement. The Participant acknowledges and agrees that the information as to financial results of other segregated accounts established in the name of other participants will not be open to review by the Participant. Upon request by the Participant, the Segregated Account will make available for review by the Participant a copy of the latest Solvency Certificate signed by a Director of and filed by Roundstone Insurance, Ltd. with the Bermuda Monetary Authority

(b) Segregated Account's Access to Records of the Participant. Upon request by the Segregated Account, the Participant will allow the Segregated Account or the Segregated Account's designee to inspect all information that the Segregated Account deems, in its reasonable discretion, relevant to the Participant's participation, including without limitation information regarding the Participant's operation, financial records, loss data, actuarial reports, work papers, audit reports and audit work papers. Such request will be made within a reasonable time in

advance of such inspection, and any inspection will be made during normal business hours. Participant will cooperate fully with the Segregated Account and the Segregated Account's designee in connection with any audit of the Segregated Account or examination of the Segregated Account by any regulatory authority.

10. Representations and Warranties. The Participant represents and warrants that:

(a) It is duly organized, validly existing and in good standing under the laws of the jurisdiction in which it is organized, is in good standing in each state in which the nature of its business requires foreign qualification, and has full power and authority to enter into this Agreement.

(b) The persons executing this Agreement on its behalf are acting pursuant to proper authorization, and this Agreement is the valid and binding obligation of Participant enforceable in accordance with its terms.

(c) It understands and acknowledges that the Segregated Account is a segregated account of Roundstone Insurance Ltd., as that term is defined in the Bermuda Segregated Account Act, and funds held in other segregated accounts or the general accounts of Roundstone Insurance Ltd. will not be chargeable with liabilities arising out of liabilities allocated to the Segregated Account. The Segregated Account will be managed by and in the sole discretion of Roundstone Insurance Ltd.

(d) It understands and acknowledges that the terms of its participation are governed by this Agreement, which sets forth in full all of Participant's rights relative to its participation in the Group Captive Insurance Program. The Participant will have no equity ownership rights in the Segregated Account or Roundstone Insurance Ltd.. Participant shall have no claim against, right to, or ownership interest in Participant's Loss Fund, its only right being to a distribution, if any, determined in accordance with Section 6, and it is expressly agreed that if a voluntary or involuntary liquidation, dissolution, sale, or other disposition of all or substantially all of the assets of Participant, however effected, or receivership, insolvency, bankruptcy, assignment for the benefit of creditors, reorganization, arrangement, composition with creditors or readjustment or other similar proceeding affecting any of the assets of Participant takes place during an Underwriting Year, then neither Participant nor any receiver, trustee, creditor, or any similar party with a claim through, by, or on behalf of Participant shall have any right to any balance in the Segregated Account until such Underwriting Year is closed and a distribution, if any, has been determined, and then such claiming party's rights shall only be to the extent of Participant's distribution under the terms of Section 6 of this Agreement, if any, at the close of such Underwriting Year. Until a distribution, if any, has been determined, the Segregated Account shall own all right, title and interest in the assets of the Segregated Account.

11. Arbitration. Any dispute, controversy or claim arising out of or relating to this Agreement which cannot otherwise be resolved by the parties hereto shall be settled by

binding arbitration held in Bermuda, or such other place as the parties hereto may agree, in accordance with the Commercial Arbitration Rules of the American Arbitration Association then in effect.

The parties intend this Section 11 to be enforceable in accordance with the Federal Arbitration Act (9 U.S.C. Section 1, et seq.), including any amendments to that Act which are subsequently adopted, notwithstanding any other choice of law provision set forth in this Agreement. In the event that either party refuses to submit to arbitration as required herein, the other party may request the Bermuda Court to compel arbitration in accordance with this paragraph. Both parties consent to the jurisdiction of such court to enforce this Section 11 and to confirm and enforce the performance of any award of the arbitrators.

Notwithstanding anything to the contrary, the obligations to pursue arbitration pursuant to this Section 11 will not limit any party’s right to seek a preliminary injunction or similar equitable relief from a court of competent jurisdiction pending arbitration of any dispute.

12. Notice. Any notice required or permitted under this Agreement will be given in writing by postage prepaid, United States registered or certified mail, return receipt requested, at the respective addresses specified below or at such other address as that party may specify by written notice. Notice will be effective upon the earlier of: (i) actual receipt by the party to which the notice is directed or (ii) five (5) business days after such notice is deposited in the mail by the party sending such notice.

If to the Segregated Account:

If to the Participant:

Roundstone Insurance Ltd.
In Respect of Segregated Account #AN0001
F. B. Perry Building
40 Church Street
P.O. Box HM 2062
Hamilton HM HX,
Bermuda
Attn: President

See address on signature page.

13. Limits on Liability. In no event will the Segregated Account and/or Roundstone Insurance Ltd. be liable to the Participant for special, consequential or indirect damages, including without limitation loss of anticipated profits, business opportunity or goodwill. In all events the liability of the Segregated Account and Roundstone Insurance Ltd. to the Participant will be limited to the amount of Participant’s Indemnity Collateral in the Segregated Account.

14. Confidentiality. The Participant agrees to keep this Agreement, the terms hereof, and all documents and information relating hereto, or furnished pursuant to or in connection herewith, confidential, except as may be required by law or otherwise provided in this Agreement. Notwithstanding the foregoing, nothing in this Section 14 will prohibit the Participant from disclosing such confidential information to (a) state or

federal regulators or rating agencies, if in the Participant's judgment, it believes that such disclosure is required or advisable, (b) the Participant's members, shareholders, or affiliated companies, whether direct or indirect, provided such members, shareholders or affiliated companies also agree to keep such information confidential, (c) the outside legal, financial or accounting advisors of the Participant and (d) other parties, with the prior written consent of the Roundstone Insurance Ltd.. This Section 14 shall survive termination of this Agreement.

15. Right of Offset. The Segregated Account will have the right to offset any amount payable to the Participant pursuant to this Agreement by any amount due from the Participant pursuant to this Agreement or the Participant's Policy.

16. General Provisions. This Agreement:

- (a) may be executed in any number of counterparts, each of which, when executed by all parties to this Agreement will be deemed to be an original, and all of which counterparts together will constitute one and the same instrument. Facsimile and electronic signatures shall be deemed valid as originals;
- (b) will be governed by and construed under the laws of Bermuda without regard to principles of conflicts of laws;
- (c) constitutes the entire agreement of the parties with respect to its subject matter, superseding all prior oral and written communications, proposals, negotiations, representations, understandings, courses of dealing, agreements, contracts, and the like between or among any or all of the parties in such respect;
- (d) may be amended or modified only by a writing signed by both parties;
- (e) contains headings only for convenience, which headings will not be used in construction of this Agreement;
- (f) will bind and inure to the benefit of the parties and their respective successors and assigns, except that no obligation under this Agreement may be delegated, nor may this Agreement be assigned, without the prior written consent of all parties, which consent shall not be unreasonably withheld; and
- (g) The Participant on its own behalf and on behalf of its insureds and their respective agents, representatives and any affiliates thereof acknowledges that the Segregated Account, Roundstone Insurance Ltd., its agents, managers and representatives and any affiliates are not acting as counsel or tax advisors to the Participant. Any matters of tax, legal, accounting or other financial characteristics or consequences of the transactions entered into as part of the Insurance Program or the Segregated Account, including but not limited to the agreements referred to in this Agreement, or other aspects of the Insurance Program or the Segregated Account, or the tax, accounting or financial position of the Participant, the Insureds or any affiliates thereof with respect to this or any other agreements entered into between the Participant and the Segregated Account, or any insurer

participating in the Insurance Program should be considered and reviewed by the Participant in reliance on itself and/or any tax or legal advisor it engages. The Participant, and any affiliates thereof have relied solely on Participant's own advisors for this advice.

IN WITNESS WHEREOF, the parties hereby execute this Agreement effective as of the date of the later signature below.

PARTICIPANT

ROUNDSTONE INSURANCE LTD., IN RESPECT OF SEGREGATED ACCOUNT #AN0001

City of Jackson
Name of Participant

By: Michael Schroeder, President
[Name/Title]

By: _____
Name of Authorized Officer

Date

Signature of Authorized Officer

Date

PARTICIPANT CONTACT INFORMATION (For Participant Completion)		
Mailing Address for Notices: _____ _____ _____		
Email Address for Quarterly Captive Reporting: _____		
<u>Executive Officer Information:</u> Name: _____ Email: _____	<u>Financial Officer Information:</u> Name: _____ Email: _____	<u>HR Director Information:</u> Name: _____ Email: _____

NOTE: Participant must complete and return to Roundstone Management, Ltd. the IRS Form W-9 provided at the end of this Participation Agreement. Instructions for completing the IRS Form W-9 can be found at: <http://www.irs.gov/pub/irs-pdf/fw9.pdf>.

EXHIBIT A

INVESTMENT POLICY

The Segregated Account will invest the assets of the Segregated Account in accordance with the following investment policy:

Funds will be invested according to Bermuda Law so as to be considered a statutory asset of the Segregated Account.

- (i) All securities will be marked to market and investment income will include unrealized capital gains or losses;
- (ii) The investment income attributable to the Investable Assets linked to the Segregated Account will be calculated quarterly;
- (iii) The Segregated Account shall have authority to manage the Investable Assets linked to the Segregated Account separately or collectively with other assets of the general account or other segregated accounts, to determine investment strategies, and to make individual investment decisions including investments linked to the Segregated Account. The Segregated Account shall have no duty to stress income over capital appreciation or vice versa. Furthermore, the Segregated Account may, but shall not be required to, delegate such management to investment counselors, managers, and the like in its sole and absolute discretion;
- (iv) All calculations of the assets and income of the Segregated Account shall be made by Segregated Account in accordance with generally accepted accounting principles consistently applied. All questions arising concerning the Investment Income Allocation Formula shall be determined by Segregated Account in a fair and reasonable manner and Segregated Account's determination shall be final; and
- (v) The Segregated Account's standard investment guidelines are attached to this Agreement as Exhibit B

SEGREGATED ACCOUNT AND ROUNDSTONE INSURANCE LTD. MAKES NO PROMISES, REPRESENTATIONS OR WARRANTIES WITH REGARD TO THE INVESTMENT RESULTS OF THE INVESTABLE ASSETS, THE SAME BEING EXPRESSLY DISCLAIMED. SEGREGATED ACCOUNT AND ROUNDSTONE INSURANCE LTD. SHALL HAVE NO LIABILITY TO THE

PARTICIPANT FOR ANY LOSSES OR DAMAGE THAT THE PARTICIPANT MAY INCUR IN CONNECTION WITH THE INVESTABLE ASSETS AND ARISING OUT OF SEGREGATED ACCOUNT'S OR ROUNDSTONE INSURANCE LTD.'S ACTS OR OMISSIONS RELATING TO THE INVESTMENT RESULTS.

Investment Income Allocation Formula

On a quarterly basis, the Segregated Account will allocate to the Segregated Account the investment income (after deduction for paid investment expenses) for an Underwriting Year with respect to the assets allocated to the Segregated Account. Investment income will include interest, dividends and realized and unrealized gains and losses earned on Investable Assets linked to the Segregated Account.

Expense Allocation Formula

The Segregated Account Expenses allocation for Segregated Account #AN0001 for each Underwriting Year shall be as follows:

Investment Management Fee	0.5% of Net Assumed Premium
Facility Fee	1.0% of Net Assumed Premium
Captive Management	2.5% of Net Assumed Premium
Audit, Actuarial, Legal, Bank Charges, LOC Fees	1.0% of Net Assumed Premium

During the Run-off Period, the Segregated Account Expenses shall be 5.0% of Investable Assets.

All Segregated Account Expenses shall be allocated in their entirety to the Segregated Account.

EXHIBIT B

INVESTMENT GUIDELINES

Purpose: The Investment Guidelines shall define the appropriate investments of the Segregated Account and shall guide the Segregated Account in the management of such investments.

Objective: The objective of the Investment Guidelines is to earn high returns on funds available for investment, consistent with reasonable safety and soundness principles as set forth herein. At all times investments in the aggregate and individual securities shall comply with appropriate statutes and regulations of Bermuda.

Authority: Any investment that is inconsistent with these Investment Guidelines must be approved in advance by the Segregated Account.

Approved Investments:

- U.S. Cash and Cash Equivalents
- U.S. Government Securities
 1. Limitation: no aggregate limit
no single issuer limit
- Corporate Debt Obligations (U.S. Companies)
 1. Limitation: no aggregate limit
single issuer limit - 5% of total assets
 2. Quality: Investment grade - rated by at least one recognized rating organization (Moody's, S&P, Fitch, etc...)

Form **W-9**
(Rev. December 2014)
Department of the Treasury
Internal Revenue Service

Request for Taxpayer Identification Number and Certification

Give Form to the
requester. Do not
send to the IRS.

Print or type See Specific Instructions on page 2.	1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.	
	2 Business name/disregarded entity name, if different from above	
	3 Check appropriate box for federal tax classification; check only one of the following seven boxes: <input type="checkbox"/> Individual/sole proprietor or single-member LLC <input type="checkbox"/> C Corporation <input type="checkbox"/> S Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate <input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶ _____ Note. For a single-member LLC that is disregarded, do not check LLC; check the appropriate box in the line above for the tax classification of the single-member owner. <input type="checkbox"/> Other (see instructions) ▶ _____	4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3): Exempt payee code (if any) _____ Exemption from FATCA reporting code (if any) _____ <i>(Applies to accounts maintained outside the U.S.)</i>
	5 Address (number, street, and apt. or suite no.)	Requester's name and address (optional)
	6 City, state, and ZIP code	
	7 List account number(s) here (optional)	

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Note. If the account is in more than one name, see the instructions for line 1 and the chart on page 4 for guidelines on whose number to enter.

Social security number										
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or										
Employer identification number										
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Part II Certification

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
- I am a U.S. citizen or other U.S. person (defined below); and
- The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 3.

Sign Here	Signature of U.S. person ▶	Date ▶
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General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. Information about developments affecting Form W-9 (such as legislation enacted after we release it) is at www.irs.gov/fw9.

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following:

- Form 1099-INT (interest earned or paid)
- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)

- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
 - Form 1099-C (canceled debt)
 - Form 1099-A (acquisition or abandonment of secured property)
- Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.
- If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See What is backup withholding? on page 2.*
- By signing the filled-out form, you:
1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
 2. Certify that you are not subject to backup withholding, or
 3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income, and
 4. Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting, is correct. See *What is FATCA reporting?* on page 2 for further information.



Employer Election - ACH Information Sheet

Roundstone is pleased to offer our clients the ability to receive prompt stop loss reimbursements through ACH. This is the fastest and most efficient reimbursement option and will result in your TPA receiving your stop loss reimbursement 7-10 days faster. If you decide to waive ACH payments, your TPA will receive paper checks sent via regular mail (checks cannot be sent overnight).

Group Name: City of Jackson

Please choose one of the following:

ACCEPT ACH: Stop loss reimbursement will be sent via ACH.

- *If this option is selected, we will ask your Third Party Administrator to provide the appropriate banking information.*

WAIVE ACH: Stop loss reimbursement in the form of a check will be sent via regular mail.

Signature: _____

Title: _____

Date: _____



ROUNDSTONE
TURNING RISK INTO RESULTS

RENEWAL PLAN DOCUMENT CHANGE FORM

Employer Name: City of Jackson

Plan Year: 2022

Please fill out the information below regarding the Employer Health Plan(s) *(check the box as applicable)* :

- No changes will be made to any plans for the group.

- Changes have been or will be made to **all** plans for the group. The Employer will submit the signed Plan Document(s) and all amendments to Roundstone for approval at Binding@RoundstoneInsurance.com.

- Changes have been or will be made to the Plan Document(s) for only the plans listed below. The Employer will submit the signed Plan Document(s) and all amendments to Roundstone for approval at Binding@RoundstoneInsurance.com.

Authorized Employer Signature: _____

Title: _____

Date: _____

BINDING PROCESS NEXT STEPS

Thank you for participating in a Roundstone Captive!

You and your employer client have taken the next step toward a self-funded employee benefits plan, and you're almost there.

Once the binding documents have been completed with online automated execution, each party will receive notification of such via email. From that notification you will be able to download, print and/or forward the signed documents.

Complete the Binding Process by gathering the necessary documents for Roundstone's Underwriting team to review. Below is a list of that information along with a brief description:

From the **current TPA** we require the following reports:

CLAIMS EXPERIENCE DATA

- A.** Aggregate claims
- B.** Specific claims
- B.** Trigger diagnosis
- D.** Pended claims
- E.** Case management notes
- F.** The above data is required for the first 11 months of the prior policy year (for example, if policy effective date is 1/1, we need claims through 11/30 of the previous period).
- G. NOTE:** if a group is coming from fully insured AND had less than 100 members, claims data may not be available.

1.



From the **current carrier** we require the following reports:

LARGE CLAIMS REPORT

- A.** This report is similar to the specific claims report, but it also includes a diagnosis and paid amount
- B.** Data needed for first 11 months of the prior policy year.

2.



RENEWAL (FOR NEW GROUPS ONLY)

- A.** Please provide a copy of the renewal on carrier letterhead including rates.

3.



Once these documents have been received by Underwriting, you're well on your way to implementation. Please contact your Client Manager if you have any questions about the process. We're excited that you are a part of a Roundstone captive and can't wait to work in partnership to lower healthcare costs for the high quality care that your employer, clients and their employees deserve.

Roundstone's policy is that all binding requirements be completed within 90 days from the stop-loss policy effective date. This ensures that coverage is in place. Roundstone reserves the right to rescind any proposal that has not met the binding requirements (binding kit requirements plus requirements in this document) within 120 days from the stop-loss policy effective date.