



SAN JUAN COUNTY
Group Number: 10040282

STOP-LOSS
INSURANCE
AGREEMENT

Commencement Bay Risk Management Insurance Company
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STOP-LOSS INSURANCE AGREEMENT

The Parties to this Stop-loss Insurance Agreement ("Stop-loss Agreement") are **SAN JUAN COUNTY** ("Policyholder") as the policyholder and **COMMENCEMENT BAY RISK MANAGEMENT INSURANCE COMPANY** ("CBRM"). Policyholder and CBRM are sometimes referred to individually as the "Party" and collectively as the "Parties."

RECITALS

WHEREAS, Policyholder has established **SAN JUAN COUNTY**, a self-funded group health plan ("GHP") for its Participants;

WHEREAS, Policyholder and its plan sponsor ("Plan Sponsor") have retained Claims Administrator to provide claim processing and other administrative services for the GHP during the Term as set forth in an administrative services agreement. If a Cambia Affiliate is the Claims Administrator, the agreement is entitled the "Administrative Services Contract" ("ASC"). If a Cambia Affiliate is not the Claims Administrator, the administrative services agreement by or among the Plan Sponsor, GHP, and Claims Administrator shall be referred to herein as the "Non-Cambia Affiliate Administrative Services Agreement";

WHEREAS, Policyholder and Plan Sponsor assume liability for and funds all benefits under the GHP, except as otherwise provided in this Stop-loss Agreement; and

THEREFORE, in consideration of the mutual agreements and covenants contained herein and other good and valuable consideration, the Parties agree as set forth herein.

SECTION 1 – DEFINITIONS

- 1.1 Addenda means the Stop-loss Fee Schedule Addendum, which contains the list of fees and other prices for CBRM's stop-loss coverage services and is attached and incorporated into this Stop-loss Agreement.
- 1.2 Aggregate Margin means the percentage used to determine the Aggregate Stop-loss Factor. It represents the risk level that the Policyholder is accepting, and is expressed as a percentage of the Expected Paid Claims Amount. The Aggregate Margin is shown in the Stop-loss Fee Schedule Addendum.
- 1.3 Aggregate Stop-loss Attachment Point means the product of the total number of Subscriber Contract Months during the Term multiplied by the Aggregate Stop-loss Factor.

- 1.4 Aggregate Stop-loss Factor is the product of multiplying Aggregate Margin and Expected Paid Claims Amount and is shown in the Stop-loss Fee Schedule Addendum.
- 1.5 Aggregate Stop-loss Limit of Liability means the maximum reimbursement amount payable to Policyholder by CBRM for Claims in Excess of Liability under this Stop-loss Agreement during the Term. The Aggregate Stop-loss Limit of Liability is shown in Stop-loss Fee Schedule Addendum. Expenses that are the responsibility of the Participant, including, but not limited to, deductibles and coinsurance, do not count toward this maximum. Covered Services in excess of the Aggregate Stop-loss Limit of Liability are the responsibility of the Policyholder.
- 1.6 Aggregating Individual Stop-loss Attachment Point refers to an attachment point applied in addition to the Individual Stop-loss Attachment Point. During the Term, eligible Paid Claims in excess of the Individual Stop-loss Attachment Point for each covered Participant will be added together until the cumulative total equals the Aggregating Individual Stop-loss Attachment Point amount. Reimbursement for eligible Paid Claims in excess of a Participant's Individual Stop-loss Attachment Point does not begin until the Aggregating Individual Stop-loss Attachment Point has been satisfied. The Aggregating Individual Stop-loss Attachment Point is shown in the Stop-loss Fee Schedule Addendum.
- 1.7 Cambia Affiliate refers to a subsidiary or affiliate of Cambia Health Solutions, Inc. ("Cambia"), including, but not limited to, Regence BlueCross BlueShield of Oregon, Regence BlueCross BlueShield of Utah, Regence BlueShield, and Healthcare Management Administrators, Inc.
- 1.8 Claims Administrator means the entity or entities that administer(s) the benefits covered by the GHP pursuant to the ASC or Non-Cambia Affiliate Administrative Services Agreement, whichever is applicable, or, if the begin date on the "Incurred date range" shown in the Stop-loss Fee Schedule Addendum is a date that is prior to the Effective Date, then the Claims Administrator also includes the entity that administers the benefits of the GHP for claims Incurred prior to the Effective Date and paid during the Term. The Claims Administrator is as named on the Stop-loss Fee Schedule Addendum.
- 1.9 Claims in Excess of Liability means the amount by which the Net Paid Claims exceed the greater of:
- a. the Minimum Aggregate Stop-loss Attachment Point, or
 - b. the Aggregate Stop-loss Attachment Point.

- 1.10 Covered Services shall have the meaning given that term in the ASC if a Cambia Affiliate is the Claims Administrator. If the Claims Administrator is not a Cambia Affiliate, Covered Services shall mean the services, supplies, treatments, or accommodations that are included in the Plan Document. For purposes of this Stop-loss Agreement, Covered Services shall not include expenses *outside* the definition of that term in the ASC or the Plan Document or expenses *paid outside* the terms of the ASC or the Plan Document. If the Policyholder, Plan Sponsor or GHP causes a claim to be paid for which benefits are not owed according to the terms of the ASC or the Plan Document, then the payment will not be considered a Paid Claim under this Stop-loss Agreement.
- 1.11 Covered Unit means the unit(s) identified in the Stop-loss Fee Schedule Addendum.
- 1.12 Expected Paid Claims Amount means the average monthly claims expenses for Covered Services that Participants are expected to incur each month per Covered Unit, and is determined by CBRM and shown in the Stop-loss Fee Schedule Addendum.
- 1.13 Illness means a congenital malformation that causes functional impairment; a condition, disease, ailment or bodily disorder, other than an Injury; and pregnancy. Illness does not include any state of mental health or mental disorder which is otherwise defined in the Mental Health or Substance Use Disorder Services in the Plan Document.
- 1.14 Incurred means the date upon which services or supplies have been provided to a Participant.
- 1.15 Individual Stop-loss Attachment Point refers to the amount of eligible Paid Claims per Participant per Term that is excluded from coverage as an attaching point under this Stop-loss Agreement, and that is shown in the Stop-loss Fee Schedule Addendum.
- 1.16 Individual Stop-loss Limit of Liability means the maximum amount that CBRM will reimburse the Policyholder for a Participant's Covered Services under this Stop-loss Agreement during the Term. The Individual Stop-loss Limit of Liability is shown in the Stop-loss Fee Schedule Addendum. Expenses that are the responsibility of the Participant, including, but not limited to, deductibles and coinsurance, do not count toward this maximum. Covered Services in excess of the Individual Stop-loss Limit of Liability are the responsibility of the Policyholder.
- 1.17 Injury means physical damage to the body inflicted by a foreign object, force, temperature or corrosive chemical or that is the direct result of an accident, independent of Illness or any other cause. An Injury does not

mean Injury to teeth due to chewing and does not include any condition related to pregnancy.

1.18 Lasering means a situation where a higher Individual Stop-loss Attachment Point is assigned to a Participant ("Lasered Attachment Point"). A "Lasered Participant" is a Participant where the Lasered Attachment Point is assigned. Lasered Participants, if any, will be identified in the Stop-loss Fee Schedule Addendum.

1.19 Material Change means a change that may have an economic impact on CBRM's liability under this Stop-loss Agreement. Material Changes include, but are not limited to, the following:

- a. changes in the information disclosed by the Policyholder or Participant upon which CBRM's assessment of risk was based;
- b. changes in the GHP, including, but not limited to, any increase in the GHP's risk, as determined by sound actuarial principles, due to a change in Plan Benefit levels for any reason, including Policyholder's request for modification, external legal requirement, or change to its agent's commission level;
- c. changes in which the enrollment under the plan increases or decreases by 10% or more from the enrollment assumption listed in the Stop-loss Fee Schedule Addendum or 10% or more from the last modification;
- d. changes in which a business unit, division, subsidiary, or affiliated company of Policyholder is added to or deleted from coverage under this Stop-loss Agreement;
- e. changes in which a legislative or regulatory enactment imposes a mandate, premium tax or surcharge payable to a governmental entity based on CBRM's fees or services;
- f. a change in the Claims Administrator or provider network; or
- g. a bankruptcy proceeding involving the Policyholder or an Affiliate.

1.20 Minimum Aggregate Stop-loss Attachment Point means the product of the following four amounts:

- a. The greater of the Subscriber Contract Months in the first month of the Term or the Subscriber Contract Months used on the Stop-loss Fee Schedule Addendum for the Term, multiplied by
- b. the Aggregate Stop-loss Factor, multiplied by

- c. the total number of months in the Term, and finally multiplied by
- d. the Minimum Aggregate Stop-loss Attachment Point percentage, as shown in the Stop-loss Fee Schedule Addendum.

1.21 Net Paid Claims means eligible Paid Claims minus:

- a. the sum of any claims exceeding the Individual Stop-loss Attachment Point for any Participant;
- b. any claims applied to the Aggregating Individual Stop-loss Attachment Point;
- c. any claims between the Individual Stop-loss Attachment Point and the Lasered Attachment Point on any Lasered Participant;
- d. any claims exceeding the Participant Claim Limit;
- e. any claims exceeding the Individual Stop-loss Limit of Liability for any Participant;
- f. any claims exceeding the Aggregate Stop-loss Limit of Liability; and
- g. any claims paid on an exception basis.

1.22 Paid Claim means a request for payment of GHP benefits for Covered Services in response to which payment was issued by the Claims Administrator in the regular course of business during the Term. Further, in order to be included as a Paid Claim, the claim must be Incurred and paid within the dates shown in the Stop-loss Fee Schedule Addendum, and the claim must be submitted to the appropriate Claims Administrator within the time frames set forth in the GHP. Paid Claim includes only those claims which are actually due and owing under the terms of the GHP and for which the Participant is responsible. [Funds must be available no later than the last day of the Stop-loss Agreement.]

1.23 Participant means a Subscriber or eligible dependent of a Subscriber who is entitled to receive benefits for Covered Services under the terms of the GHP at the time the Covered Services are provided.

1.24 Participant Claim Limit means the maximum amount of eligible Paid Claims per Participant as shown on the Stop-loss Fee Schedule Addendum which accumulate towards the settlement when Policyholder has not purchased individual stop-loss from CBRM.

- 1.25 Plan Administrator means the entity who or which GHP designates as the Plan Administrator and named fiduciary for the GHP. The Plan Administrator is **SAN JUAN COUNTY**.
- 1.26 Plan Benefit means the amount payable under the terms of the GHP for a Covered Service that is Incurred by a Participant. Plan Benefit does not include any portion of such expense that:
- a. a Participant is responsible to pay under the terms of the GHP including, but not limited to, a copayment, coinsurance, deductible or any difference between the amount billed by the nonparticipating provider and the allowed amount;
 - b. is paid outside the benefits of the GHP; or
 - c. exceeds any maximum lifetime or internal maximum benefit allowed for Participants under the GHP.
- 1.27 Plan Document is the written document which establishes eligibility, benefits and other legal requirements of the GHP.
- 1.28 Regence means Regence BlueCross BlueShield of Utah.
- 1.29 Run-in Limit is the maximum amount that will be considered for reimbursement by CBRM for claims Incurred prior to the original ASC or Non-Cambia Affiliate Administrative Services Agreement effective date and paid during the Term. The Run-in Limit is the product of the following amounts:
- a. the Subscriber Contract Months used on the Stop-loss Fee Schedule Addendum for the Term, multiplied by
 - b. the Aggregate Stop-loss Factor, multiplied by 12, and then multiplied by
 - c. the Run-in Limit percentage, as shown in the Stop-loss Fee Schedule Addendum.
- 1.30 Sponsor is the plan sponsor, and is the person purchasing the Stop-loss plan.
- 1.31 Subscriber means a person who is eligible for coverage under the GHP on the basis of current or previous service as an employee of the Policyholder. Also, it refers to the covered COBRA dependent(s) of an employee even though the employee is not on COBRA. A Subscriber must be eligible for and enrolled under the underlying GHP and this Stop-

loss Agreement or, if the GHP includes retirees, a retired employee who remains enrolled under the GHP after retirement and who continues to meet the eligibility requirements for retirees under the underlying GHP.

- 1.32 Subscriber Contract Month is a measure equal to one for each individual month that each Subscriber is actually enrolled in the GHP during the Term. Expressed in its plural form (e.g., "Subscriber Contract Months") the term means the Policyholder's actual aggregate enrollment during the relevant period, measured by adding together the Subscriber Contract Months of each and all of Policyholder's enrolled Subscribers during the relevant period.
- 1.33 Terminal Run-out Period is the number of months immediately following the Term under which the individual terminal liability coverage or aggregate terminal liability coverage applies as shown in the Stop-loss Fee Schedule Addendum.
- 1.34 Term means the period described in the Term, Termination and Modification section of this Stop-loss Agreement.
- 1.35 Third Party Administrator means an organization or entity other than Claims Administrator that performs administrative services for the Policyholder, Plan Sponsor or GHP.
- 1.36 Vendor means a person, organization, or entity other than Claims Administrator who provides services or goods to the Policyholder, Plan Sponsor or GHP.
- 1.37 Year-to-date Aggregate Stop-loss Attachment Point is the total of the monthly Aggregate Stop-loss Attachment Points which have accrued to a point in time during the Term.

SECTION 2 – COVERED UNIT COSTS

2.1 Covered Unit Cost Amounts

The individual and aggregate stop-loss Covered Unit costs payable for each Subscriber Contract Month are shown in the Stop-loss Fee Schedule Addendum.

2.2 Covered Unit Cost Payments

Covered Unit cost payments from the Policyholder, including any part that is the responsibility of the Participants, are due to CBRM as set forth in the Stop-loss Fee Schedule Addendum. If Policyholder has failed to pay any Covered Unit cost for a Participant (whether individual stop-loss Covered

Unit cost, aggregate stop-loss Covered Unit cost, or both), but other Participants' Covered Unit costs are paid, this Stop-loss Agreement (including both individual and aggregate stop-loss coverage) will terminate as to only the unpaid Participant.

2.3 Payment After Termination and Reinstatement

Any payment received by CBRM after the termination of this Stop-loss Agreement for any reason shall be deposited for security purposes only and shall not be deemed to have been accepted for reinstatement of this Stop-loss Agreement, as acceptance of Covered Unit cost, or as an accord and satisfaction. This Stop-loss Agreement will be reinstated only by written endorsement of CBRM.

2.4 Non Payment of Covered Unit Costs

If Policyholder fails to pay Covered Unit costs as required by this Stop-loss Agreement (including any applicable grace periods), in addition to the provisions of this section, this Stop-loss Agreement may be terminated upon advance notice to Policyholder.

SECTION 3 – INDIVIDUAL STOP-LOSS COVERAGE

3.1 Reimbursement of Individual Stop-loss Coverage

CBRM will reimburse Policyholder for the amount of eligible Paid Claims that exceed the Individual Stop-loss Attachment Point – excluding any claims applied to the Aggregating Individual Stop-loss Attachment Point and any claims between the Individual Stop-loss Attachment Point and the Lasered Attachment Point on any Lasered Participant, during the Term, up to the Individual Stop-loss Limit of Liability.

If an internal appeal or Independent Review Organization reverses in the current Term or after termination of this Stop-loss Agreement, a prior Term's denial for benefits for Covered Services and if a portion of the claim would have exceeded the Participant's Individual Stop-loss Attachment Point, CBRM will credit the Policyholder for any applicable Individual Stop-loss Attachment Point amounts had the claim been paid in the Term it had been denied. In this case, the Participant's Paid Claim date shall be considered the date that the claim was first pended.

Policyholder will pay claims only in accord with the terms of the GHP. A Paid Claim eligible for more than one Term will be applied in the Term in

which it was Incurred. CBRM will not include as Paid Claims (or reimburse Policyholder for) claims paid outside the terms of the GHP.

3.2 Aggregating Individual Stop-loss Attachment Point

If shown in the Stop-loss Fee Schedule Addendum, the Aggregating Individual Stop-loss Attachment Point amount is in addition to the Individual Stop-loss Attachment Point. During the Term, eligible Paid Claims above each Individual Stop-loss Attachment Point and Lasered Attachment Point will be added together until the cumulative total equals the Aggregating Individual Stop-loss Attachment Point amount as shown in Stop-loss Fee Schedule Addendum. Accumulations towards the full Aggregating Individual Stop-loss Attachment Point amount start over each subsequent Term. CBRM will exclude any claims applied to the Aggregating Individual Stop-loss Attachment Point from the Net Paid Claims to determine the aggregate stop-loss reconciliation process outlined in the Aggregate Stop-loss Reconciliation/Settlement section of this Stop-loss Agreement.

3.3 Individual Stop-loss Attachment Point

The Individual Stop-loss Attachment Point amount applies separately to each Participant and accumulation towards the full Individual Stop-loss Attachment Point amount starts over each subsequent Term. Reimbursement to Policyholder for eligible Paid Claims in excess of a Participant's Individual Stop-loss Attachment Point does not begin until the Aggregating Individual Stop-loss Attachment Point has been satisfied.

3.4 Individual Stop-loss Limit of Liability

Individual Stop-loss Limit of Liability amount applies separately to each Participant and accumulation towards the limit of liability amount starts over each subsequent Term.

3.5 Lasered Participants

The Parties will agree on which Participants, if any, will be lasered during the initial Term. Upon renewal, CBRM will not add any new Lasered Participants unless the Policyholder specifically requests that CBRM provide additional Lasered Participants. In addition, CBRM may continue any currently Lasered Participants but will not increase the laser amount(s) unless specifically requested by the Policyholder. Any Lasered Participants' claims that fall between the Policyholder's Individual Stop-loss Attachment Point and the Lasered Attachment Point will be excluded from the Net Paid Claims to determine the aggregate stop-loss reconciliation/settlement process outlined in the Aggregate Stop-loss

Reconciliation/Settlement section of this Stop-loss Agreement. If applicable, the Lasered Participants will be shown in the Stop-loss Fee Schedule Addendum.

3.6 Gapless Coverage

If shown in the Stop-loss Fee Schedule Addendum and this Stop-loss Agreement is renewed, this Stop-loss Agreement will provide gapless individual stop-loss coverage. Eligible claims Incurred on or after the original ASC or Non-Cambia Affiliate Administrative Services Agreement effective date, but not paid until after the end of the prior Term, will be considered a Paid Claim in the current Term.

3.7 Individual Terminal Liability Coverage

If shown in the Stop-loss Fee Schedule Addendum and if the individual stop-loss coverage terminates at the end of the Term, Paid Claims will apply toward the Individual Stop-loss Attachment Point if they are Incurred during the Term and paid during the Term or the Terminal Run-out Period. The Terminal Run-out Period is shown on the Stop-loss Fee Schedule Addendum.

If the individual stop-loss coverage terminates at the end of the Term, this coverage will automatically be invoked.

SECTION 4 – AGGREGATE STOP-LOSS COVERAGE AND ACCOUNTING (FUNDING OF CLAIMS IN EXCESS OF LIABILITY)

4.1 Reimbursement for Aggregate Stop-loss Coverage

CBRM will reimburse Policyholder for the amount of Claims in Excess of Liability, up to the Aggregate Stop-loss Limit of Liability.

Policyholder or Plan Sponsor will pay claims only in accord with the terms of the GHP. A Paid Claim eligible for more than one Term will be applied in the Term in which it was Incurred. CBRM will not include as Paid Claims (or reimburse Policyholder for) claims paid outside the terms of the GHP.

4.2 Processing of Payments Exceeding Claims in Excess of Liability

Claims in Excess of Liability shall be processed as a claim until they are recovered by CBRM (*i.e.*, become the liability of CBRM). Nothing in this Stop-loss Agreement obligates CBRM to process claims which exceed the Aggregate Stop-loss Limit of Liability.

4.3 Aggregate Terminal Liability Coverage

If shown in the Stop-loss Fee Schedule Addendum and if the aggregate stop-loss coverage terminates at the end of the Term, Paid Claims will apply toward the aggregate stop-loss if they are Incurred during the Term and paid during the Term or the Terminal Run-out Period. The Terminal Run-out Period is shown on the Stop-loss Fee Schedule Addendum.

The Aggregate Stop-loss Attachment Point will be increased by the average number of Subscribers during the last three (3) months of the Term multiplied by the terminal factor(s) shown in the Stop-loss Fee Schedule Addendum.

If the aggregate stop-loss coverage terminates at the end of the Term, this coverage will automatically be invoked.

SECTION 5 – AGGREGATE BENEFIT PAYMENT REPORTS

- 5.1 If the Policyholder settles annually, CBRM shall prepare and deliver to the Policyholder an annual settlement.
- 5.2 If the Policyholder has monthly reconciliation, the reconciliation shall be delivered by CBRM to the Policyholder monthly and shall contain year-to-date figures. After the 12th month reconciliation, CBRM shall prepare a final settlement. If the group has monthly reconciliation, this will be indicated on the Stop-loss Fee Schedule Addendum.
- 5.3 If a Cambia Affiliate is not the Claims Administrator, Plan Sponsor or Policyholder shall provide reports to CBRM as follows:
 - a. Periodic Report: If the Claims Administrator reports to Plan Sponsor or Policyholder more frequently than annually, Plan Sponsor or Policyholder shall provide to CBRM within fifteen (15) days of receipt, a copy of the periodic report received by Plan Sponsor or Policyholder which shall contain the same information as described in the Aggregate Stop-loss Reporting section of this Stop-loss Agreement.
 - b. Annual Report: If the Claims Administrator reports to Plan Sponsor or Policyholder annually, Plan Sponsor or Policyholder shall provide to CBRM a copy of any annual or periodic report received by Plan Sponsor or Policyholder within thirty (30) days after the end of the Term. This report shall contain the same information as described in Aggregate Stop-loss Reporting section of this Stop-loss Agreement.

SECTION 6 – AGGREGATE STOP-LOSS RECONCILIATION/SETTLEMENT

6.1 Aggregate Stop-loss Applicability

If the Stop-loss Agreement provides for monthly reconciliation, Claims in Excess of Liability may fluctuate throughout the Term due to factors including the accumulation of Subscriber Contract Months and Paid Claims. CBRM shall fund Claims in Excess of Liability throughout the Term but is entitled to and shall recover any amount funded to the extent cumulative payments exceed Claims in Excess of Liability as the Term progresses.

If the Stop-loss Agreement provides for an annual settlement, Claims in Excess of Liability may fluctuate throughout the Term due to factors including the accumulation of Subscriber Contract Months and Paid Claims. At the end of the Term, CBRM shall fund Claims in Excess of Liability.

6.2 Aggregate Stop-loss Reporting

For groups that have annual settlement, CBRM will deliver to Policyholder, upon request, a monthly report that shows Paid Claims, Paid Claims in Excess of Liability, and Subscriber Contract Months, the Minimum Aggregate Stop-loss Attachment Point and Aggregate Stop-loss Attachment Point.

For groups that have monthly reconciliation, CBRM will deliver to Policyholder a monthly report that shows Paid Claims, Paid Claims in Excess of Liability, and Subscriber Contract Months, the Minimum Aggregate Stop-loss Attachment Point and Aggregate Stop-loss Attachment Point.

6.3 Settlement Report

Within 60 calendar days after the end of the Term, CBRM will prepare and deliver to Policyholder a settlement report that will set forth the Policyholder's Term result. The Term result, which can be positive or negative, is calculated as follows:

- a. the amount of Net Paid Claims during the Term, minus
- b. the Aggregate Stop-loss Attachment Point or the Minimum Aggregate Stop-loss Attachment Point during the Term, whichever is greater.

6.4 Term Result Amounts

- a. If the Term result is a positive amount and provided that Policyholder has paid CBRM in accordance with this Stop-loss Agreement, CBRM will refund the difference to Policyholder in accordance with this Stop-loss Agreement.
- b. If the Term result is a negative amount, and provided that Policyholder has paid CBRM in accordance with this Stop-loss Agreement, there will be no further liability of either party for Paid Claims during the Term, except as provided in this Stop-loss Agreement's provisions.

6.5 Settlement Report Process

Policyholder shall have a period of 15 days to review the settlement calculations. If no dispute is noted, the payment period begins. If dispute is noted, then CBRM is not obligated to pay until the dispute is resolved, unless otherwise agreed to in writing by the parties.

After Policyholder indicates that it accepts the settlement report, (or does not otherwise dispute the settlement report within the period provided in the preceding paragraph), Policyholder may request payment of funds due the Policyholder. CBRM shall pay any funds due within thirty (30) days of Policyholder's acceptance or deemed acceptance.

In the event funds are due to CBRM, issuance of the settlement report shall automatically be considered a request for payment to CBRM from the Policyholder. Policyholder shall pay any funds due within thirty (30) days of issuance of the settlement report unless Policyholder has informed CBRM in writing of a dispute with the settlement report. If there is a bona fide dispute noted in writing, Policyholder shall pay CBRM within thirty (30) days of resolution.

SECTION 7 – TERMS/CONDITIONS OF PAYMENT

7.1 Proof of Loss

If a Cambia Affiliate is not designated in this Stop-loss Agreement as the Claims Administrator, or if the begin date on the "Incurred date range" shown in the Stop-loss Fee Schedule Addendum is a date that is prior to the Effective Date, Policyholder must submit written proof of loss to CBRM in order to be entitled to indemnification under this Stop-loss Agreement. In order to prove loss, Policyholder must provide proof satisfactory to CBRM that Plan Benefits were paid or are payable in accordance with the Plan Document, the Participants were eligible, and that such Plan Benefits are in excess of the Individual Stop-loss Attachment Point amount or are

Claims in Excess of Liability. The proof of loss must be submitted to CBRM no later than ninety (90) days, or as soon reasonably possible, from the end of Term in order to be considered for payment under this Stop-loss Agreement. In addition, CBRM shall be entitled, but is not obligated, to audit Participant eligibility and payments made by Plan Sponsor or Policyholder under the GHP.

7.2 Third Party Administrator, Vendor and/or Agent of the Policyholder or Plan Sponsor

a. Relationship

Policyholder and Plan Sponsor are solely responsible for the actions of their Plan Administrator, Third Party Administrator, and/or agent, if applicable. Policyholder and/or Plan Sponsor's Third Party Administrator, or agent acts on behalf of them, not CBRM, and is not the agent of CBRM. CBRM is not responsible for any compensation owed to, or claimed by, any Third Party Administrator or any other agents of the Policyholder and/or Plan Sponsor for services provided to, or on behalf of, the GHP. This Stop-loss Agreement does not make CBRM a party to any agreement between the Policyholder or Plan Sponsor and its Third Party Administrator or agent, nor does it make any Third Party Administrator or agent a party to this Stop-loss Agreement.

b. Performance of Duties

Any Third Party Administrator, Vendor or agent of Policyholder and/or Plan Sponsor, designated or otherwise, must perform such duties as may be reasonably required by CBRM including, but not limited to, maintaining an accurate record of the Participants under the underlying GHP, complying with CBRM's discount negotiation guidelines, and using CBRM's policy and preauthorization standards. Any discount negotiated by a Third Party Administrator, Vendor, or agent of Policyholder and/or Plan Sponsor must fall within CBRM's guidelines, to which CBRM may make an exception.

c. Compensation

Any compensation due to a Third Party Administrator or agent of Policyholder and/or Plan Sponsor for functions performed in relation to this Stop-loss Agreement shall not be the responsibility of CBRM.

7.3 Recovery of Funds from Policyholder, Plan Sponsor, and Other Sources

a. Recovery From Third Parties by CBRM, Participant, Policyholder, or Plan Sponsor

Policyholder has an obligation to notify CBRM in writing of any Paid Claims involving third parties. CBRM is entitled to and shall recover any amount paid by a third party that is recovered by CBRM, the Participant, the Plan Sponsor, or the Policyholder for indemnification provided by CBRM under this Stop-loss Agreement. Any extra expense beyond the subrogation fee Incurred by CBRM in collection or retrieval of the payment from a third party is the responsibility of the Policyholder (e.g., costs and attorney's fees).

b. Application of Funds Received

If any person or entity, including but not limited to the Participant or his/her legal representative or beneficiary, the Policyholder, the Plan Sponsor, any Claims Administrator, or the subcontractor or successor in interest to any of these persons or entities receives a payment as a result of coordination of benefits, workers' compensation, motor vehicle coverage, third party liability, or any other provision or law providing a right of recovery to the GHP, the payment will be applied first to reimburse CBRM for any stop-loss insurance indemnity it has provided pursuant to this Stop-loss Agreement, and the balance, if any, will be credited to Policyholder.

7.4 Limitations and Exclusions

Notwithstanding anything herein to the contrary, the following will not be considered for accumulation toward the indemnification obligations for stop-loss coverage under the Stop-loss Agreement (whether individual or aggregate or both).

- a. CBRM is not responsible for any liability the Policyholder, Plan Sponsor, and/or GHP assumes under any contract or agreement outside of the Plan Document.
- b. Exclusions in the GHP and Plan Document.
- c. Plan Benefits Incurred after this Stop-loss Agreement terminates.
- d. Plan Benefits paid on behalf of a person not eligible for participation under the GHP at the time the expense was Incurred.

- e. Plan Benefits paid because of a Material Change in the GHP, Plan Document or this Stop-loss Agreement unless CBRM has agreed in advance to such change in writing.
- f. Plan Benefits paid for which Policyholder, Plan Sponsor or Participant, or another person or entity on behalf of either, receives payment or could have received payment from another insurer, payer, third party or governmental entity, including but not limited to payments for:
 - (i) Expenses for services and supplies Incurred as a result of any work-related Injury or Illness, including any claims that are resolved related to a disputed claim settlement. The Claims Administrator may require the Participant to file a claim for workers' compensation benefits before providing any benefits under this coverage. Also, services and supplies received for work-related Injuries or Illnesses are excluded even if the service or supply is not a covered worker's compensation benefit. This exclusion shall also apply if a Participant opts out of workers' compensation. The only exception is if a Participant is exempt from state or federal worker's compensation law;
 - (ii) Benefits which are payable under any automobile medical, personal injury protection ("PIP"), automobile no-fault, underinsured or uninsured, homeowner, commercial premises coverage, or similar contract or insurance, when such contract or insurance is issued to or makes benefits available to the Participant, whether or not application is duly made therefore.

Any benefits provided by this Stop-loss Agreement contrary to the exclusions are provided solely to assist the Participant, and are subject to all clauses herein related to the Participant's obligations regarding reimbursement and subrogation rights of this Stop-loss Agreement. By paying for such benefits, CBRM is not acting as a volunteer and is not waiving its right to reimbursement or subrogation.

g. Other Exclusions

The following additional benefits are not covered by this Stop-loss Agreement. To the extent these exclusions conflict with benefits conferred by the GHP, this Stop-loss Agreement governs. This Stop-loss Agreement excludes benefits for or in connection with any of the following:

- (i) Services and supplies for treatment of an Illness, Injury or condition caused by a Participant's voluntary participation in a riot, armed invasion or aggression, war, insurrection or rebellion or

sustained by a claimant arising directly from an act deemed illegal by an officer or a court of law;

- (ii) The treatment of any Participant's condition that the Secretary of Veterans Affairs determines to have been Incurred in, or aggravated during, performance of service in the uniformed services of the United States;
- (iii) Services and supplies that are not medically necessary according to Regence medical policy for the treatment of an Illness or Injury;
- (iv) Except for Approved Clinical Trials as defined in the Plan Document, investigational treatments or procedures, services, supplies and accommodations provided in connection with investigational treatments or procedures, or any services or supplies provided under an investigational protocol according to Regence medical policy;
- (v) Cosmetic services, supplies and drugs according to Regence medical policy. Cosmetic means services or supplies that are applied to normal structures of the body primarily to improve or change appearance. Cosmetic drugs means prescription medications used for cosmetic purposes, including, but not limited to: removal, inhibition or stimulation of hair growth; retardation of aging; or repair of sun-damaged skin;
- (vi) Fees for services related to administration of the GHP, audit, provider panel access fees, case management, consulting fees, claims review or negotiation, utilization review, panel fees, or other administrative fees;
- (vii) Judgments and interest on judgments; court costs or penalties; fines, penalties imposed by law; punitive or exemplary damages;
- (viii) Any liability arising out of ERISA as amended, or out of a similar federal or state law, or for punitive, exemplary or compensatory damages, or fines or penalties imposed by law or regulation;
- (ix) Charges for excise, sales or other taxes; surcharges; tariffs; duties; assessments; or other similar charges whether made by federal, state or local government or by another entity, unless as required by law or per the State and Federal Taxes/Fees section of this Stop-loss Agreement;
- (x) Medical treatment, medication, surgical treatment (including reversals), programs or supplies that are intended to result in or relate to weight reduction, regardless of diagnosis or psychological conditions;

- (xi) Paid Claims for any COBRA enrollee or retiree whose continuation of coverage was not offered in a timely manner or according to COBRA regulations;
- (xii) Loss of provider discounts due to untimely payment of claims.

7.5 Audit Rights

CBRM shall have the right to audit, upon reasonable notice and at its own expense, records of Policyholder, Plan Sponsor, or Claims Administrator that contain eligibility and claim determination information, including but not limited to payroll records, proof of loss forms, and Plan Benefit determination records held by Policyholder, Plan Sponsor, or Claims Administrator for the purpose of determining compliance with the terms of this Stop-loss Agreement. Notwithstanding CBRM's right to audit, Policyholder and Plan Sponsor are obligated to accurately determine the eligibility of the Participant, and to determine the claims in accord with the GHP.

7.6 Signing of Stop-loss Agreement, Addenda or Amendments

Before CBRM administers any portion of this Stop-loss Agreement, including reimbursement for claims paid in excess of the Individual Stop-loss Attachment Point amount and/or refunds of any amounts under the Stop-loss Agreement resulting from a settlement of this Stop-loss Agreement, Policyholder must sign this Stop-loss Agreement, addenda or any amendment(s) to it. Any interest or penalty fees Incurred as the result of Policyholder's refusal or delay in signing this Stop-loss Agreement, addenda or any amendment to it will be the responsibility of Plan Sponsor, not CBRM.

SECTION 8 – TERM, TERMINATION AND MODIFICATION

8.1 Term

- a. The initial Term of this Stop-loss Agreement will commence at 12:01 a.m. on January 1, 2021 ("Effective Date") and will terminate at 12:01 a.m. on January 1, 2022 unless sooner terminated as provided herein.
- b. Automatic Renewal. This Stop-loss Agreement will automatically renew for an additional twelve (12) month Term upon the anniversary of the Effective Date subject to Covered Unit cost modification(s) and amendment(s) as agreed to by the Parties, unless either Party gives 30 days written notice prior to the end of the Term of its intent not to have the Stop-loss Agreement renew. If, by the conclusion of any Term, the Parties have not completed negotiation and execution of a

new Stop-loss Fee Schedule Addendum but termination has not occurred, CBRM shall continue its services herein except that CBRM's newly proposed and unexecuted Stop-loss Fee Schedule Addendum shall be in effect.

8.2 Termination

This Stop-loss Agreement will terminate or may be terminated in any of the following ways:

- a. The Stop-loss Agreement will terminate at the end of the Term, unless it has renewed or as otherwise specified;
- b. Policyholder may terminate this Stop-loss Agreement, without cause, upon 30 days prior written notice of termination to CBRM;
- c. CBRM may terminate the Policyholder's coverage under this Stop-loss Agreement by giving the Policyholder at least 30 days prior written notice. CBRM can only terminate the Stop-loss Agreement for the following reasons:
 - (i) The Policyholder fails to comply with a provision of this Stop-loss Agreement;
 - (ii) The Policyholder fails to perform the obligations under this Stop-loss Agreement in good faith;
 - (iii) The Policyholder has fewer than 51 Subscribers enrolled with CBRM;
 - (iv) The Policyholder fails to provide the information required in the application request or disclosure statement; or
 - (v) Policyholder experiences a Material Change deemed unacceptable by CBRM;
- d. Failure to pay CBRM the Covered Unit costs when due (including any applicable grace periods) will cause this Stop-loss Agreement to terminate automatically and without notice retroactive to the last date for which Covered Unit costs have been paid;
- e. This Stop-loss Agreement will terminate automatically on the same date that the ASC terminates where a Cambia Affiliate is the Claims Administrator. If any party to the ASC provides notice to the other party to terminate the ASC, that will be deemed sufficient notice to terminate this Stop-loss Agreement as well, whether or not the Stop-loss Agreement is specifically mentioned in the aforementioned notice of termination. If a Non-Cambia Affiliate Administrative Services Agreement terminates, CBRM reserves the right to terminate this

Stop-loss Agreement if the Parties do not mutually agree to the new Claims Administrator.

8.3 Effect of Early Termination

- a. Upon the early termination of this Stop-loss Agreement for any reason, the end date on the Incurred date and the end date on the paid date shown in the Stop-loss Fee Schedule Addendum will be replaced with the effective date of the termination. Furthermore, CBRM will not be required to perform aggregate terminal liability or individual terminal liability when this Stop-loss Agreement terminates early.
- b. In the event Policyholder terminates this Stop-loss Agreement or causes this Stop-loss Agreement to be terminated (e.g., including but not limited to termination for nonpayment of Covered Unit costs) prior to the end of the Term, such early termination invalidates aggregate stop-loss coverage obligations of CBRM for the Term, and Policyholder shall not be entitled to any refund of aggregate stop-loss Covered Unit costs it has paid to CBRM. Under those circumstances, CBRM is entitled to a refund from Policyholder of any funds paid during the Term as described in the Aggregate Stop-loss Reconciliation/Settlement section of this Stop-loss Agreement.

8.4 Modification

- a. This Stop-loss Agreement may be modified by written agreement signed by authorized representatives of the Parties.
- b. Modification due to a Material Change: Notwithstanding the provision in Section 8.4(a), CBRM may modify the Covered Unit costs and/or Expected Paid Claims Amounts, or Minimum Aggregate Attachment Point and Aggregate Stop-loss Factors or terminate the Stop-loss Agreement due to a Material Change. Policyholder agrees to notify CBRM of any Material Changes in writing 15 days prior to the effective date of the Material Change. Submission of monthly enrollment for premium purposes is not considered written notice for purposes of this Section 8.4(b). Further, acceptance by CBRM of the monthly enrollment data shall not constitute CBRM's acceptance of the Material Change. If accepted by CBRM, the modification(s) will take effect as of the first day of the month the Material Change occurs, unless otherwise specified below. If notice is not received by CBRM 15 days prior to the effective date of the Material Change, CBRM reserves the right to establish the effective date of the modification to this Stop-loss Agreement that results from the Material Change, but in no event shall CBRM establish an effective date prior to the effective date of the Material Change.

Where the Material Change is one of the below, the effective date(s) of the modification(s) shall be subject to the terms set forth below by CBRM:

- (i) if enrollment under the plan increases or decreases by 10% or more from the enrollment assumption listed in the Stop-loss Fee Schedule Addendum, whether or not the fluctuation occurs during the Term or spans two different Terms, the modification will take effect on the first day of the first month in which the percentage change occurs. In addition, CBRM has the right to modify throughout the Term if enrollment under the plan increases or decreases by 10% from the last modification;
- (ii) if a business unit, division, subsidiary, or affiliated company of Policyholder is added to or deleted from coverage under this Stop-loss Agreement, the modification will take effect as of the first day of the month the change occurs. If the change does not occur on the first day of the month, then CBRM and Policyholder shall negotiate the effective date of the modification;
- (iii) if there is a change to a legislative or regulatory enactment that imposes a mandate, premium tax or surcharge payable to a governmental entity based on CBRM's fees or services, the modification will take effect on the first day of the month such enactment is first effective.

8.5 Disposition of Claims

CBRM will have no liability for indemnifying Policyholder for health care expenses that are not:

- a. Incurred within the Incurred date range shown in the Stop-loss Fee Schedule Addendum; and
- b. paid within the paid date range shown in the Stop-loss Fee Schedule Addendum.

SECTION 9 – GENERAL PROVISIONS

9.1 Choice of Law

Unless preempted by federal law, this Stop-loss Agreement shall be governed, construed, performed and enforced in accordance with the laws of the State of Utah.

9.2 Integration

This Stop-loss Agreement, related Fee Schedule Addendum and any amendments, written modifications and/or Addenda replace all prior Stop-loss Agreements, if any, between Policyholder and CBRM and constitute the entire Stop-loss Agreement between the Parties.

9.3 Non-Waiver

The failure or refusal of either Party to enforce or enjoin any breach or violation of any provision of the Stop-loss Agreement shall not be construed to be a waiver of any subsequent breach.

9.4 Time is of the Essence

Time is of the essence in the performance of this Stop-loss Agreement.

9.5 Misrepresentation

CBRM shall have the right to rescind this Stop-loss Agreement or to re-underwrite the coverage, including, but not limited to, resetting Covered Unit costs, Expected Paid Claims Amount, Individual Stop-loss Attachment Point, Lasering, and Aggregating Individual Stop-loss Attachment Point, if Policyholder, or anyone acting on Policyholder's behalf, made any fraudulent or material misstatements, omissions, or misrepresentations, whether intentional or unintentional, in the information or documentation provided to CBRM and upon which CBRM relied in underwriting and issuing this Stop-loss Agreement. CBRM has the burden of proving fraud. A misstatement, omission, or misrepresentation is fraudulent if it is made with intent to knowingly defraud. This includes, but is not limited to, CBRM's right to rescind or re-underwrite this Stop-loss Agreement if, after the Stop-loss Agreement has been issued, CBRM discovers unreported expenses or claims that were Incurred or paid during the underwriting and prior to the issuance of this Stop-loss Agreement. Any such revisions may be retroactive to the Effective Date. CBRM acknowledges that statements made by Policyholder, in the absence of fraud, are representations and not warranties. A misstatement made by Policyholder in Policyholder's application for coverage relating to insurability, except for a fraudulent misstatement, is a basis for rescission for two years after the coverage has been in effect.

9.6 Dispute Resolution

If a dispute should arise out of this Stop-loss Agreement or a breach thereof, the Parties will attempt in good faith to resolve the dispute informally through discussion, the exchange of documents, or meetings

following a Party's written notice of the existence and nature of the dispute.

If the Parties are unable to resolve the dispute within thirty (30) days after the date of such written notice, they will, while continuing to attempt to resolve the dispute, also establish a procedure for mediation of the dispute in the event it is not resolved.

If the Parties are unable to resolve the dispute, or to agree to a procedure for mediation of the dispute, upon mutual agreement of the Parties, the dispute will be submitted to mediation within sixty (60) days after the date of the written notice of the dispute, initiated by written notice from a Party, in accordance with the model procedures of the International Institute for Conflict Prevention & Resolution. Notwithstanding the foregoing, the mediation will be held in the Utah county where the Policyholder resides or another location as mutually agreed to by the Parties.

9.7 Clerical Error

A clerical error, whether by the Policyholder or CBRM, will not invalidate coverage validly in force or affect coverage validly terminated. CBRM will make appropriate adjustments in the premiums due for claims eligible for reimbursement under this Stop-loss Agreement. Refunds and credits are limited to the twelve (12) month period prior to the request for adjustment.

9.8 State and Federal Taxes/Fees

Policyholder is responsible for all local, state and federal taxes and/or fees except those that are imposed upon a carrier, including taxes or fees which may be mandated or assessed on benefit payments made by Claims Administrator on behalf of the GHP.

9.9 Confidentiality

The Parties acknowledge in the course of performance of this Stop-loss Agreement that confidential information may be exchanged. "Confidential Information" shall be defined as non-public information provided by a disclosing party to a receiving party. Each Party shall protect the other Party's Confidential Information in the same manner it protects its own Confidential Information but, at a minimum, in accordance with industry standards.

9.10 Notice

Except for endorsements, amendments or addenda to this Stop-loss Agreement (which would be effective on the endorsement, amendment or addenda effective date), all notices, requests, demands, and other

communications required or permitted to be given or made under the Stop-loss Agreement shall be in writing and shall be effective on the date of actual hard copy receipt (including by confirmed email, mail, or facsimile receipt), and shall be sent to Policyholder or CBRM, as the case may be, to such address, person, or entity as set forth below, or as either Party shall designate by notice to the other in accordance herewith.

9.11 Severability

In the event any one or more of the terms, conditions or provisions contained in this Stop-loss Agreement or any application thereof shall be declared invalid, illegal or unenforceable in any respect by any arbitrator or court of competent jurisdiction, the validity, legality or enforceability of the remaining terms, conditions or provisions of this Stop-loss Agreement and any other application thereof shall not in any way be affected or impaired thereby, and this Stop-loss Agreement shall be construed as if such invalid, illegal or unenforceable provisions were not contained herein.

9.12 Binding Effect

This Stop-loss Agreement shall be binding upon, inure to the benefit of, and be enforceable by, the Parties hereto and their respective successors and permitted assigns.

9.13 No Third Party Beneficiaries

Nothing in this Stop-loss Agreement, express or implied, is intended to confer on any person, other than the Parties hereto, any right or remedy of any nature whatsoever; and nothing in this Stop-loss Agreement shall create, or be deemed to create, any rights, obligations or legal relationship between CBRM and any Participant.

9.14 Force Majeure

Neither Party will be deemed to be in violation of this Stop-loss Agreement if it is prevented from performing its obligations by events beyond its control including, without limitation, acts of God, war or insurrection, terrorism, flood or storm, strikes, or rule or action of the government or agency.

9.15 Survival

All rights and obligations will cease upon termination or expiration of this Stop-loss Agreement, except for the rights and obligations regarding the authority and ability to audit and any and all terms concerning: (i) settlement, (ii) reconciliation, (iii) recovery by CBRM, (iv) disposition of

claims, (v) application of funds received by third parties, Policyholder, Plan Sponsor, and any other sources of recovery of funds, (vi) confidentiality, (vii) notice, and (viii) dispute resolution.

9.16 Counterparts

This Stop-loss Agreement may be executed in one or more counterparts, each of which will be deemed an original, and all of which together will constitute one and the same instrument.

(Signature Page to Follow)

IN WITNESS WHEREOF, the Parties have caused this Stop-loss Agreement to be executed by their duly authorized representatives on the dates indicated.

ACCEPTED:

**POLICYHOLDER:
SAN JUAN COUNTY**

**COMMENCEMENT BAY RISK
MANAGEMENT INSURANCE
COMPANY**

By: _____

By: Jared L. Short

Name: _____

Name: Jared L. Short

Title: _____

Title: President

Date: _____

Date: November 19, 2020

Address for Notice:

Address for Notice:

**Commencement Bay Risk
Management Insurance Company**
Attention: Legal Department,
Bill Lehman
100 SW Market Street, MS E12B
Portland, OR 97201

Email: _____

Email: Bill.Lehman@cambiahealth.com