



SBSB's Mosaic Section 125 Voluntary Program

**EMPLOYER PARTICIPATION AGREEMENT
FOR LOCAL GOVERNMENTS AND PUBLIC ENTITIES**

This Agreement is made, effective as of the date set forth below ("Effective Date"), by and between the undersigned Employer (hereinafter "Employer") and Mosaic Insurance Exchange, Inc. (hereinafter "MOSAIC"), located in Worcester, Massachusetts.

WHEREAS, Employer desires to enable certain Eligible Employees to voluntarily purchase medical coverage through MOSAIC by collecting and remitting all or a portion of the required payment on their behalf, as part of a Section 125 Plan (as defined below); and

WHEREAS, MOSAIC has established and maintains a private health insurance exchange and desires to arrange for Employer's Eligible Employees the ability to enroll in medical coverage options offered by carriers through MOSAIC, and to offer a range of administrative services to Employer, including enrollment of persons into Voluntary Health Plans, billing for and collecting premium, and remitting premium to carriers offering Voluntary Health Plans.

NOW, THEREFORE, in consideration of the promises and mutual covenants contained herein, the receipt and sufficiency of which are hereby acknowledged, Employer and MOSAIC agree as follows.

1. Definitions. The following terms, when capitalized below, mean the following:

Eligible Employees: Those employees who (a) are eligible to participate in the Employer's Section 125 Cafeteria Plan but for whom the Employer makes no contributions toward the monthly cost of medical coverage; or (b) do not participate in a Section 125 Plan but from whom Employer collects post-tax income for purposes of enabling such employees to purchase medical coverage without any contributions from Employer toward the monthly cost of coverage. In accordance with applicable law, the Employer further defines which employees are Eligible Employees.

Members: Those Eligible Employees and their eligible spouses/dependents who are enrolled in a Voluntary Health Plan offered through MOSAIC.

Section 125 Cafeteria Plan ("Plan"): A plan that permits Eligible Employees to elect to have Employer withhold pre-tax income from their pay to enable them to purchase medical coverage. Section 125 Plans must meet the requirements of Title 26, Subtitle A, Chapter 1, Subchapter B, Part III, Section 125 of the Internal Revenue Code.

Voluntary Health Plans: Licensed nongroup medical coverage plans which are offered by carriers for purchase through MOSAIC.

2. Employer's Representations. The Employer represents the following as of the Effective Date of this Agreement:

- A. The Employer has a business location in Massachusetts.
- B. If the Employer has established a Section 125 Cafeteria Plan ("Plan"): (1) the Plan complies with applicable state and federal requirements; and (2) the Employer does not make any contributions toward the purchase of medical coverage by Eligible Employees; provided, however, that the Plan may nevertheless allow the Employer to make contributions toward the monthly cost of medical coverage for other employees.
- C. With respect to Eligible Employees, neither the Plan nor the Employer endorses or promotes the purchase of any particular medical coverage options.
- D. The Employer will cooperate with MOSAIC in the performance of the latter's duties under this Agreement.

3. Duties of MOSAIC.

A. MOSAIC shall provide to Employer such enrollment, termination, billing and remittance services as set forth in the attached Exhibit A and incorporated herein by this reference.

B. MOSAIC will generally arrange for nongroup medical coverage options to be offered by carriers through MOSAIC, to the extent carriers are available and willing to offer such medical coverage options through MOSAIC's private, health insurance exchange.

C. MOSAIC shall hold as confidential the Employer and employee information and data, while using the data for the limited purpose of providing the services described in this Agreement.

4. Billing. With respect to Members, MOSAIC shall send Employer a monthly premium invoice approximately 45 calendar days prior to the applicable coverage month. (For example, an invoice for January coverage will be sent to Employer on November 15th.) The invoice will include at least the following:

the names of the Employer's eligible employees;

the amount of premium remittance that is due to MOSAIC for each participating employee;

the amount of any premium credit that is owed to the Employer due to terminations or otherwise;

the coverage month for which such premium is applicable; and

information about delinquent payments, if any.

5. Payment.

A. Employer agrees to remit to MOSAIC, on behalf of each Member, the amount stated in the monthly invoice ("Amount Due"), provided, however, that if the Amount Due is more than the amount of pre-tax and/or post-tax income that has been withheld from each Member's pay, Employer is only obligated to remit up to the amount withheld. The Amount Due is due to MOSAIC by the 10th of the calendar month following the month in which the invoice is sent ("Due Date"). (For example, the Due Date for an invoice sent on November 15th is December 10th.)

B. In the event Employer's remittance is less than the Amount Due, Employer shall inform Mosaic of the identity of the employee(s) for whom the remittance is less than the Amount Due. MOSAIC may accept additional funds from any other source, including the employee, to make up the difference between the Employer's remittance and the Amount Due.

C. Employer understands that the Amount Due may change from time to time as a result of, including without limitation: changes in premium charged by the carriers offering Voluntary Health Plans; and changes in status (for example, adding a new dependent) of Members.

6. Termination of Members. In the event MOSAIC does not receive the full Amount Due within 60 days following the 1st day of the coverage month for which payment was applicable, MOSAIC and/or the applicable carrier shall terminate the Member's enrollment in the Voluntary Health Plan. Termination of a Member under this Section 6 shall be retroactive to the last day for which the premium for that Member was paid in full.

7. MOSAIC Compensation. Employer will pay MOSAIC such fee or fees for the services provided by MOSAIC under this Agreement, as specified in Attachment B, attached hereto and incorporated herein by reference. MOSAIC may amend the fee or fees from time to time upon written notice to Employer of not less than 60 days.

8. Term. This Agreement shall remain in force continuously, unless terminated by Employer or MOSAIC in accordance with Section 9.

9. Term and Termination of this Agreement.

A. Either party may terminate this Agreement at any time for any reason, by giving at least 45 days advance written notice to the other party.

B. MOSAIC may immediately terminate this Agreement for cause by giving written notice to Employer. For the purpose of the foregoing, cause shall include, without limitation:

an Employer's repeated failure to make timely and complete premium remittances in accordance with this Agreement;

Employer's material non-cooperation with MOSAIC's attempts to resolve remittance or eligibility disputes;

for Employer's misrepresentation or fraud; and

Employer's failure to pay any other fees under this Agreement.

C. In the event of termination of this Agreement, MOSAIC and/or the applicable carrier may terminate enrollment of all Members in Voluntary Health Plans.

10. Amendments. Except as provided herein, this Agreement, or any part hereof, may be amended at any time by written consent of authorized representatives of both parties.

11. Limitation on Liability. MOSAIC shall have no liability or responsibility whatsoever to Employer or to any third party, including Eligible Employees and Members, due to (A) Employer's failure to remit premiums to MOSAIC for medical coverage in accordance with this Agreement; or (B) carriers acts or omissions with respect to medical benefits due, or alleged to be due, under any Voluntary Health Plan.

12. Waiver. MOSAIC's exercise or nonexercise of any of its rights under this contract on any occasion shall not be construed as a waiver of any of its rights or of the Employer's obligations, nor shall it obligate MOSAIC to act in a similar fashion on any later occasion.

13. Third Party Rights. This Agreement is entered into by and between the parties hereto and for their benefit. Except as specifically provided herein, there is no intent by either party to create or establish third party beneficiary status or rights in any Eligible Employee, Member, or other third party to this Agreement, and no such third party will have any right to enforce any right or enjoy any benefit created or established under this Agreement.

14. Successors and Assigns. The provisions of this Agreement and obligations arising hereunder shall extend to, be binding upon, and inure to the benefit of the executors, administrators, successors, and assigns of the Parties hereto.

15. Assignment. Employer will not assign its rights and obligations under this Agreement without the prior written consent of MOSAIC. MOSAIC may assign its respective rights and responsibilities under this Agreement to any entity which owns or controls MOSAIC, to any entity which is owned or controlled by MOSAIC, or to any entity which is under common ownership or control with MOSAIC, and MOSAIC will provide written notice to Employer within thirty (30) days of such assignment.

16. Force Majeure. In the event the operations of either party's facilities or any substantial portion thereof are interrupted by war, acts of terrorism, fire, insurrection, labor/provider contract troubles, riots, the elements, earthquakes, or acts of God, the provisions of this Agreement (or such portions hereof as the impacted party is thereby rendered incapable of performing) will be suspended for the duration of such interruption.

17. Reliance and Disclaimers. MOSAIC shall be entitled to rely upon the information and data provided by the Employer, including its agents and service providers. MOSAIC shall not be responsible to determine the accuracy of any data or information and shall not be liable for any loss or expense resulting from a failure to furnish necessary data or information in a timely manner. Employer agrees to indemnify MOSAIC and hold it harmless against any losses, costs, expenses or

liabilities, including any reasonable legal expenses or fees, that may be incurred or asserted against MOSAIC at any time, provided and to the extent such expense or loss is caused by MOSAIC's reliance on data and information provided to it by the Employer to perform services.

18. Governing Law. This Agreement and the rights and obligations of MOSAIC and Employer will be governed by and interpreted in accordance with the laws of the Commonwealth of Massachusetts, except to the extent federal law applies, without giving effect to its choice of law rules.

ATTACHMENT A - ADMINISTRATIVE SERVICES

1. Enrollment of eligible employees and their dependents into a participating health insurance plan for a first-of-the-month effective-date coverage
2. Processing of enrollment changes, including additions, deletions, and coverage terminations.
3. Premium billing, collection, and remittance to participating health insurance carriers.
4. Renewal notification and processing.
5. Provision of Summary of Benefits (SBC's) online.
6. Toll-free customer services, M-F 8:30 AM – 5:00 PM Eastern
7. Walk-in service center for customer assistance, M-F 8:30 AM – 5:00 PM Eastern

**ADDENDUM TO EMPLOYER AGREEMENT ADMINISTRATIVE FEE(S)
FOR LOCAL GOVERNMENTS AND AGENCIES REGISTERED
WITH THE COMMONWEALTH OF MASSACHUSETTS/ANF
(as of October 2013)**

Annual Compliance Fee (a)	Included
Monthly Transaction Fee	Included
Census File Set-Up Fee (b).....	for new accounts \$200
Coverage Reinstatement Fee	\$50 per occurrence per employee
NSF (Insufficient Funds Fee).....	\$50
Wire Transfer Fee	\$5

THE THREE OPTIONS FOR AN ELIGIBLE PUBLIC ENTITY ARE AS FOLLOWS:

- (a) If an eligible public entity does not want to set up a census upload process, it could establish an account on the Mosaic's website and sign the employer agreement. There would be no associated fee since there would not be a set-up fee, and the vendor would waive the \$200 Annual Compliance Fee because the eligible public entity is covered under this contract.
- (b) If an eligible public entity wants to set up a census upload process, it would pay a \$200 set-up fee.
The monthly transaction fees and Annual Compliance fee would be waived.
- (c) If an eligible public entity wants to establish a full deduction file and payment file process with the vendor, there would be a \$200/hour programming fee for all related work.

By clicking the ACCEPT button, on behalf of the Employer, I agree to the above Participation Agreement requirements, and I certify that the information contained in this Application is true and accurate as of the date of acceptance.