

**AVMA Trust
Association Health Plan
Employer Participation Agreement**

This Participation Agreement (this "Agreement") entered into between AVMA Life Trust, LLC (the "LLC") and _____ (the "Employer Member") is effective _____, 20__ (the "Effective Date"). The LLC and the Employer Member may be referred to separately as a "Party" and collectively as the "Parties." This Agreement describes certain terms of Employer Member's participation in the AVMA Trust Association Health Plan ("AHP"). Capitalized terms are defined in this Agreement, which also includes any and all addenda, appendices or exhibits to the Agreement, or in the Terms and Conditions of the Agreement, which is incorporated and made a part of the Agreement by reference.

I. Agreement Terms. By signing this Agreement, the Employer Member hereby:

- A. Acknowledges and understands that Employer Member has become a Class B member of the LLC, adopts the terms of the AHP and agrees to be bound by the LLC's Operating Agreement, AHP ERISA Trust and other governing documents and rules that the LLC may adopt from time to time. Employer Member has the right to request a copy of these documents from the LLC.
- B. Agrees to be bound by the applicable terms and conditions of the insurance Group Contract, a copy of which will be made available to the Employer Member upon request.
- C. Agrees to comply with those obligations set forth in this Agreement, the Terms and Conditions document (which is provided to Employer Member prior to the Effective Date and upon request) and (the Additional Obligations of the Employer Member – Insurance document (which is provided to Employer Member prior to the Effective Date and upon request), both of which are part of this Agreement and are incorporated herein by reference, and any amendments to such documents as may be made from time to time as well as all addenda, appendices and exhibits to this Agreement. The LLC will provide Employer Member with notice of material changes to the Terms and Conditions and the Additional Obligations of the Employer Member – Insurance, with current versions of such documents available electronically (via the AHP website or otherwise) and in hard copy upon request.
- D. Agrees to notify the LLC of any new enrollments by the fifteenth (15th) day of the month in order for coverage to be effective as of the first (1st) day of the month following enrollment. If notice is not provided by the fifteenth (15th) day of the month, coverage will begin on the first (1st) day of the next subsequent month. Notice of enrollment will also constitute notice of any change in the Coverage Classification of the Participant. Employer Member shall direct any Special Enrollment event notices or inquiries to the AVMA Trust Association Health Plan Service Center or other designated LLC representative.
- E. Agrees to make itself aware of its obligations under COBRA especially as it relates to employee notices that might be required by COBRA and to promptly notify the AVMA Trust Association Health Plan Service Center or other designated LLC representative when a Participant terminates employment or any Covered Individual otherwise has a qualifying event that might entitle the Covered Individual to continuation coverage under COBRA or state continuation coverage, if applicable.
- F. Agrees to notify the AVMA Trust Association Health Plan Service Center or other designated LLC representative in writing as soon as possible but no later than within thirty-one (31) days of the effective date of any termination of Covered Individuals.
- G. Agrees to pay the monthly Premium on behalf of the Employer Member's Covered Individuals as described in the **Payment** section, below.
- H. Agrees to distribute the Summary Plan Document ("SPD"), which the LLC or its designated representative will provide to Employer Member, to its Participants at no cost as follows:
 - 1. Within ninety (90) days of when the Participant becomes covered under the Plan;
 - 2. Within thirty (30) days of a written request from a Covered Individual, Eligible Employee or other beneficiaries (as that term is defined under ERISA) or their authorized representative as required by Department of Labor ("DOL") regulations;
 - 3. Annually to all Participants to reflect any changes to the benefits provided under the AHP, which changes may instead be communicated through a Summary of Material Modifications ("SMM").

The Employer Member must distribute the SPD and SMMs consistent with DOL regulations.

- I. Agrees to receive on behalf of its Covered Individuals all notices and other information delivered by the LLC or Service Provider and to forward such notices to the person involved at their last known address or via hand delivery within 30 days of receipt from the LLC or Service Provider.

II. Rights and Privileges of Employer Member. Upon execution of this Agreement, Employer Members will be entitled to:

- A. Offer the AHP to its Eligible Employees and their Dependents. Employer Member will enjoy all the rights and privileges associated with the AHP and will be charged with all of the responsibilities that such participation entails as set forth in this Agreement and the AHP, including but not limited to, any requirements regarding participation, billing and payment of the Payment Amount.
- B. Begin participation in the AHP on the first day of any month of the plan year. The plan year shall run from September 1 to December 31 for the first plan year, 2019, and January 1 – December 31 thereafter. Annual renewal for any Employer Member wishing to continue participation will occur in November or December, as determined by the LLC.
- C. Vote on the election of LLC directors in accordance with the terms and conditions set forth in the LLC's Operating Agreement.

III. Payment Terms.

- A. The Payment Amount will be calculated based on each Participant's Coverage Classification that is shown in the Issuer's enrollment records at the time of calculation.
- B. The first Payment is due and payable to the LLC's designated Service Provider or the Issuer on the receipt of the first bill prior to the effective date of coverage for Employer Member's Covered Individuals. Subsequent Payments must be submitted to the LLC's designated Service Provider or the Issuer consistent with the payment procedure established by the LLC or Issuer. The LLC or the Issuer, or a delegate or subcontractor of the LLC or Issuer, may establish an ACH transfer method to receive Payments from Employer Member. In that event, Employer Member would receive an electronic invoice on or about the fifteenth (15th) of the month for the payment due on the first (1st) of the following month for that following month's coverage. The ACH transfer would then be initiated from Employer Member's designated bank account on the first (1st) of that following month or the immediately preceding business day if the first (1st) of the month is not a business day.
- C. The LLC may make retroactive adjustments for any additions or terminations of Covered Individuals or changes in coverage that are not reflected in Issuer records at the time the Issuer calculates the Premium. No such adjustments will be made for changes which occurred more than sixty (60) days prior to the date the LLC receives notification of the change.
- D. The LLC may establish new Premiums for any of the individual or aggregate benefits under this Agreement on any of the following dates or occurrences, upon which further Premiums shall be paid:
 1. Whenever the benefits under the Group Contract are changed;
 2. Whenever the enrollment in the LLC fluctuates by ten percent (10%) or more;
 3. Whenever there is a legislative or regulatory mandate, requirement, new tax, or change in benefits which would require additional premiums; and
 4. At the beginning of a new AHP plan year, in conjunction with the Issuer's annual renewal.
- E. Each Payment invoice will include any applicable Management Fee. The Employer Member must pay the Management Fee solely out of the company's general assets, i.e., the funds that belong to the Employer Member's business and not funds attributable to Participant Contributions. The Management Fee collected from all Employer Members will be distributed to the LLC for services provided by the LLC in connection with the establishment and maintenance of the AHP. Payment of the Management Fee will be due at the same time as the Premium as part of the Payment.
- F. A charge for late payments will be assessed for any Payment not received by the tenth (10th) day after the due date for any Payment. A service charge may be assessed for any payment rejected for insufficient funds or other form of payment that is rejected by a financial institution. Any Payment of less than the full Payment Amount shall be treated as though no Payment was received. All Payments must be accompanied by documentation that states the names of the Participant(s) for whom the Payment is being made. In the event of a delinquency, the Employer Member may be charged attorneys' fees and any other costs related to the collection of the Payment amount.

- G. A Grace Period of thirty (30) days will be granted for any Payment not received by the due date. During the Grace Period, Covered Individual's coverage under the AHP will continue in force. If Payment is not received by the thirty-first (31st) day of delinquency, claims will be denied. If Payment is received between the 31st and 60th day, claims will be reprocessed. If Payment is not received by the 60th day, this Agreement will terminate as described in the Termination section. The Employer Member remains liable for the Payment Amount plus late charges and fees during the Grace Period. If the Employer Member provides the LLC with written notice terminating the coverage during the Grace Period, the Payment Amount will be adjusted so that it applies only to the number of days that coverage was in force during the Grace Period. Coverage terminates as described in the **Termination of Coverage** section if the Grace Period expires and the Payment Amount remains unpaid.
- H. To the extent the Employer Member fails to timely pay the Participant Contribution, the Employer Member will be solely responsible for any resulting loss of coverage and violations of applicable law, including, but not limited to, ERISA and will indemnify the LLC and the AHP for any resulting negative consequences, including, but not limited to, penalties, lawsuits and legal fees and costs.

IV. Term and Termination.

- A. The Agreement shall continue until terminated consistent with this section.
- B. This Agreement and all benefits covered by the AHP under this Agreement shall automatically terminate on the earliest of the following dates:
 - 1. Sixty-one (61) days after a Payment due date, if any part of the Payment Amount remains unpaid. The Employer Member remains liable for the Payment for the period of time this Agreement remained in force during the Grace Period.
 - 2. On the date the LLC specifies, after thirty (30) days written notice, that this Agreement shall be terminated due to the Employer Member's violation of its rules. However, this Agreement will terminate immediately on the date the LLC specifies in written notice if the Employer Member is no longer a member in good standing of the LLC or the Association.
 - 3. On the date the LLC specifies in written notice that this Agreement shall be terminated because the Employer Member provided false information affecting the Agreement or the provision of coverage under this Agreement.
 - 4. On the date the Employer Member specifies, after at least thirty-one (31) days prior written notice, that coverage under the Agreement shall be terminated.
 - 5. On the date the LLC specifies, after at least sixty (60) days prior written notice, that the Agreement shall be terminated.
 - 6. Immediately on the date that the AHP terminates.
- C. Upon termination of coverage under the AHP, the Employer Member is and will remain liable for the payment of any and all Payment Amounts that are unpaid at the time of termination, for any period during which this Agreement was in force during the Grace Period preceding the termination.
- D. If Employer Member participation in the LLC and the AHP terminates for any reason, participation may not resume until, at the earliest, the first day of the plan year that begins at least one (1) full year after the effective date of Employer Member's termination of participation in the LLC and/or AHP.

Employer Member represents that it has read this Agreement, the Terms and Conditions document, the Additional Obligation of the Employer Member – Insurance document and all amendments, addenda, appendices and exhibits, if any, to those documents and agrees to be bound by their terms. The Employer Member will be deemed to have accepted the terms of this Agreement and all documents incorporated by reference by the acceptance of coverage for Eligible Employees and their Dependents.

Employer Member

By: _____

Print Name: _____

Title: _____

Date: _____

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Terms and Conditions

The following Terms and Conditions are incorporated into the AVMA Trust Association Health Plan Employer Participation Agreement by reference.

I. Definitions

- A. "Association Health Plan," "AHP," or "Plan," means the health plan established by the LLC for the benefit of the Employer Members, Eligible Employees, and their Dependents, as determined by the terms of the AHP, which is intended to qualify under ERISA as a plan sponsored by an association of employers.
- B. "AVMA" means the American Veterinary Medical Association.
- C. "COBRA" means the Consolidated Omnibus Budget Reconciliation Act of 1985 and applicable regulations.
- D. "Coverage Classification" means the type of coverage elected by AHP Participants and the coverage tier (e.g., Employee, Employee plus Spouse, Employee plus Child(ren), or Employee plus Family).
- E. "Covered Individuals" means Participants and their Dependents who are enrolled in coverage under the AHP.
- F. "Dependents" refers to the following individuals who have the right to enroll in coverage under the terms of the AHP:
1. "Spouse" means an Eligible Employee's legal spouse.
 2. "Dependent Child" means an Eligible Employee's natural child, stepchild, eligible foster child, adopted child or child placed for adoption (including a child for whom the Eligible Employee, Spouse, or Domestic Partner is a party in a legal action in which the adoption of the child is sought), under twenty-six (26) years of age. A child not listed above who is legally and financially dependent upon the Eligible Employee, Spouse or Domestic Partner is also considered a Dependent Child under the Plan, provided proof of dependency is provided with the child's application. A Dependent Child who is medically certified as disabled and dependent upon the Eligible Employee, Spouse or Domestic Partner is eligible to continue coverage beyond the limited age of twenty-six (26), provided the disability began before the child attained the age of twenty-six (26).
 3. "Domestic Partner" means a person who is in a domestic partnership with the Eligible Employee.
 4. A Dependent's coverage terminates at the end of the monthly billing cycle during which the person ceases to meet the definition of Dependent.
- G. "Eligible Employees" refers to full-time employees of the Employer Member, who have the right to enroll in coverage under the terms of the AHP and, for veterinarians only, are members of the AVMA.
- An Eligible Employee's coverage terminates at the end of the monthly billing cycle during which the person ceases to meet the definition of Eligible Employee.
- H. "Employer Member" means the employer who has executed this Agreement and thereby become a Class B member of the LLC. The Employer Member is no longer eligible to participate in the AHP if it does not comply with the terms and conditions of this Agreement or the LLC Operating Agreement or is no longer eligible due to operation of law.
- I. "ERISA" means the Employee Retirement Income Security Act of 1974, as amended, and regulations promulgated thereunder.

- J. "Grace Period" means a period of thirty (30) days following a missed Payment or a Payment for less than the Payment Amount.
- K. "Group Contract" means the applications, certificates, riders, enclosures, addenda, exhibits and amendments or endorsements, between the LLC and the Issuer.
- L. "Issuer" means the insurance company that has issued the Group Contract and that will provide and administer group health plan benefits on a fully-insured basis. Prior to or in conjunction with the Effective Date, the LLC will identify the Issuer to the Employee Member. Additionally, the LLC will notify the Employee Member of any changes to the Issuer after the Effective Date.
- M. "Management Fee" means the amount payable by the Employer Member to the LLC for services provided in connection with the establishment and maintenance of the AHP.
- N. "Open Enrollment Period" means a period of thirty-one (31) to forty-five (45) days occurring annually near the end of the plan year during which Eligible Employees may become Participants.
- O. "Participant Contribution" refers to the amounts withheld from Participant paychecks to pay the cost of the Premium.
- P. "Participants" are Eligible Employees who are enrolled in the AHP.
- Q. "Payment Amount" or "Payment" means amounts required to be paid by the Employer Member under this Agreement, and includes both the Premium and the Management Fee.
- R. "Premium" means the payment required of the Employer Member under this Agreement to secure coverage for Covered Individuals under the terms and conditions of the AHP.
- S. "Qualified Beneficiary" means a Covered Individual who qualifies for continuation coverage under state or federal law.
- T. "Service Fee" means a commission payment to a Service Provider to provide administrative services to the AHP.
- U. "Service Provider" means the entity or entities with whom the LLC has contracted to provide services to the LLC, AHP and/or Employer Members. Prior to or in conjunction with the Effective Date, the LLC will identify the Service Providers to the Employee Members. Additionally, the LLC will notify the Employee Member of any changes to the Service Providers after the Effective Date.
- V. "Special Enrollment Event" means, but is not limited to, the birth or adoption of a child, marriage, or loss of other coverage.
- W. "SPD" means the Plan's summary plan description, which will include the certificate of coverage, schedule of benefits and all riders and amendments that are issued by the Issuer.

II. Association Health Plan.

- A. The Employer Member acknowledges that the LLC is the Plan Sponsor and Plan Administrator, as those terms are defined by ERISA.
- B. The Employer Member acknowledges that only the LLC in its sole discretion, is allowed to amend the AHP and other governing documents. However, the AHP may be amended retroactively only to the extent permitted by law. All amendments will be in writing signed by the Board of Directors of the LLC (or its delegates or other persons with governing authority). The Employer Member further acknowledges that the LLC has the right to terminate the AHP at any time. This Agreement will automatically terminate if the AHP or LLC is terminated.
- C. The Employer Member agrees to comply with all reasonable requirements of the LLC for the efficient and lawful operation and administration of the AHP. Without limitation, the Employer Member agrees, upon the reasonable request of the LLC, the Issuer or the Service Provider or its or their designee to provide, on a timely basis, all notices, communications and other materials respecting the AHP to Covered Individuals, and to provide to the

Service Provider, LLC or Issuer, as applicable, on a timely basis, all requested information concerning the Plan, including enrollment and eligibility information.

III. Employer Member Representations and Acknowledgements

- A. Employer Member represents that the Employer Member is a member in good standing of the LLC and its Eligible Employees who are veterinarians are members in good standing of the AVMA and acknowledges they will remain a member in good standing for the duration of this Agreement.
- B. Employer Member agrees to be bound by the terms of the AHP and the Group Contract, and understands that compliance with these terms is a prerequisite to the provision of coverage and services to the Eligible Employers.
- C. Employer Member agrees to indemnify the LLC, the AHP, the Issuer, and their employees, agents, directors, officers, and assigns and to hold each of them harmless from any and all liabilities, claims, penalties, tax assessments, or other obligations which may arise, directly or indirectly, from the Employer Member's failure to comply with its obligations as set forth in this Agreement.
- D. Employer Member agrees that it is acting for and on behalf of itself and as the agent and representative of Eligible Employees, and it is agreed and understood that the Employer Member is not the agent or representative of the Plan.
- E. Employer Member acknowledges that the LLC offers the AHP solely for the convenience and benefit of the Employer Members and the Participants and as a service to them, and has no obligation or liability to provide or fund benefits under the AHP.
- F. Employer Member acknowledges that the terms and conditions of the AHP may change from time to time, and that there is no guarantee that rates, terms, and conditions will remain the same. Any such changes in terms and conditions of the AHP shall be subject to the notice and approval provisions provided herein.
- G. Employer Member agrees that it will make no claim against LLC or other association members, their directors, officers, employees, and agents with respect to benefits provided under the AHP and that it shall indemnify and hold harmless LLC and other association members, their directors, officers, employees, and agents, from any liability, loss, damage, claims, penalties, or assessments, and all costs, such as legal fees, associated therewith, which may arise, directly or indirectly, from offering of or involvement with the AHP.

IV. Group Participation Requirements

- A. Employer Member agrees and understands that 75% of the Employer Member's Eligible Employees must enroll in the AHP (the "Minimum Group Participation Requirements").
- B. The LLC may request information from the Employer Member on a periodic basis to determine the Employer Member's compliance with the Minimum Group Participation Requirements.
- C. The following persons will not count against the Minimum Group Participation Requirements:
 - 1. an Eligible Employee who is enrolled in COBRA Continuation Coverage provisions;
 - 2. an Eligible Employee with coverage through any other health care program; or
 - 3. ineligible employees of the Employer Member.
- D. Employer Member must contribute at least 50% of the premium for the lowest cost Employee Only Coverage.

V. General Provisions

- A. If the age, geographic location, number of family members, or other factors relating to a Covered Individual under this Agreement upon which a particular premium is based have been misstated, the Employer Member may be responsible for paying the LLC an adjusted amount which will provide the LLC with the correct premium calculated from the coverage date of a particular Covered Individual.

- B. The LLC reserves the right to change the schedule of Premium amounts at any time if such amount was determined based on a material misrepresentation. If this happens, the LLC may change the Premiums retroactively to the Effective Date of this Agreement.
- C. During the term of this Agreement and within one-hundred eighty (180) days after the termination of this Agreement, the LLC may, upon at least thirty (30) days prior written notice to the Employer Member, review the Employer Member's records with respect to eligibility.
- D. Except as expressly provided herein, this document contains the entire agreement between the parties and supersedes any prior discussions, negotiations, representations, or agreements among them respecting the subject matter. Except as may be otherwise provided in this Agreement, amendments to this Agreement are effective on the date the LLC specifies. No change will be made to this Agreement unless made by a written Amendment that is signed by both parties. Notwithstanding the preceding sentence, to the extent changes to this Agreement are made to Addendum A by the LLC changing the Terms and Conditions of participation or to Addendum B as a result of the Issuer revising aspects of its coverage provided to the AHP, such changes do not require signature by either party. In such case, LLC will provide Employer Member with a replacement Addendum A or B, as applicable.
- E. The Employer Member must furnish all information reasonably required with regard to any matters pertaining to this Participation Agreement. The LLC may, at any reasonable time inspect: (1) all documents provided by any individual in connection with coverage under the AHP; (2) the Employer Member's payroll (for purposes of confirming eligibility to participate in the AHP); and (3) any other records pertinent to the AHP coverage provided pursuant to this Agreement.
- F. The Parties agree that all personal information, including information and records with respect to benefits under the AHP will be treated as confidential by both Parties. Notwithstanding the foregoing, the LLC has the right to release any and all records concerning health care services which are necessary to implement and administer the terms of the AHP, including records necessary for appropriate medical review and assessment, or as required by law or regulation.
- G. If any provision of this Agreement or the application of any provision to any person or circumstance is determined to be unenforceable to any extent, the remaining provisions of this Agreement shall remain in effect if the essential provisions of this Agreement for each Party remain enforceable.
- H. The term "systems" as used in this provision means systems that the AHP has made available, or arranged with the Issuer to make available, to Employer Members to facilitate the transfer of information in connection with this coverage.
1. The AHP and its service provider(s) grant the Employer Members the nonexclusive, nontransferable right to access and use the functionalities contained within the systems, under the terms set forth in this Agreement. Employer Member agrees that all rights, title, and interest in the systems and all rights in patents, copyrights, trademarks, and trade secrets encompassed in the systems will remain property of the AHP and/or the Issuer. Employer Member will obtain, and be responsible for maintaining, at its own expense, the hardware, software, and internet browser requirements provided to the Employer Member. The Employer Member is responsible for obtaining an internet service provider or other access to the internet to Participants.
 2. The Employer Member will not: (1) access systems or use, copy, reproduce, modify, or excerpt any of the systems' documentation provided in order to access or utilize the systems, for purposes other than are expressly permitted under this Agreement, or (2) share, transfer, or lease its right to access and use systems, to any other person or entity which is not a party to this Agreement.
 3. The Employer Member will comply with security procedures to protect the system, its functionalities, and data accessed through the systems from any unauthorized access or damage (including damage caused by computer viruses). The Employer Member will notify the LLC immediately if any breach of the security procedures, such as unauthorized use, is suspected.
 4. The Issuer reserves the right to terminate the Employer Member's system access: (1) on the date the Employer Member fails to accept the hardware, software, and browser requirements, or (2) immediately on the date reasonably determined that the Employer Member has breached, or allowed a breach of, any

applicable provision of this Agreement. Upon termination of this Agreement, the Employer Member agrees to cease all use of systems, and the Employer Member's identification numbers and passwords and access to the system will be deactivated.

- I. The LLC will not be deemed or construed to be the common law employer of Plan Participants and is not responsible for fulfilling any duties of an employer other than those in connection with the AHP. The LLC does not agree to assume any of the Employer Member's obligations. No statements, representations, or communications by the LLC should be construed as legal, medical, or tax advice and should not be relied on as such.
- J. This Agreement will be governed by and construed in accordance with the laws of the State of Illinois, without giving effect to its conflict of laws provisions. Any legal suit, action, or proceeding arising out of or based upon this Agreement shall be heard and decided in the federal courts, and each Party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action, or proceeding.
- K. This Agreement will not be assigned by either Party without the prior written consent of the other Party, which shall not be unreasonably withheld. The provisions of this Agreement are for the sole and exclusive benefit of the Parties hereto and no third party beneficiary is intended or will be entitled to rely hereon.
- L. Headings and numbers in this Agreement are included for convenience of reference only. If there is any conflict between any of the numbers and headings and the text of this Agreement, the text will control.
- M. None of the benefits, payments, proceeds, or claims of Employer Member or of a Covered Individual will be subject to any claim, attachment, or garnishment of any creditor, nor will any Covered Individual have any right to alienate, anticipate, commute, pledge, encumber, or assign any of the benefits or payments which are expected to be received under the AHP, and any attempt to accomplish the same will be void.
- N. All notices required or permitted by this Agreement shall be in writing and shall be personally delivered in return for a receipt or sent by certified mail, return receipt requested, or by overnight courier, to the then current address, or transmitted to the email address, for each Party:

All notices shall be deemed given on the date of delivery or, if sent by (a) mail as provided above, on the third business day after the date of deposit in the U.S. mail, (b) courier as provided above, on the next business day after delivery to the courier, or (c) email as provided above, upon receipt if sent prior to 5:00 p.m. local time at the address of the addressee, or on the next business day if delivered after 5:00 p.m. local time or on a Saturday, Sunday, or legal holiday. Any party may change the address to which notices are to be given by giving notice in this manner.
- O. No failure by either Party to insist upon strict compliance with any term of this Agreement, enforce any rights, or seek any remedy upon any default of the other Party will affect, or constitute a waiver of, the other Party's right to insist upon such strict compliance, enforce that right, or seek that remedy with respect to that default or any prior, contemporaneous, or subsequent default; nor will any custom or practice of the parties at variance with any provision of this Agreement affect, or constitute a waiver of, either Party's right to demand strict compliance with all provisions of this Agreement. All waivers of performance shall be in writing, and shall not act as a waiver of future performance.

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Additional Obligations of the Employer Member- Insurance

- I.** The Employer Member will furnish the Issuer with any data required by the Issuer for coverage of Covered Individuals under the AHP. Data includes, by is not limited to, records and information provided for determining eligibility and/or premiums for the Group Contract. In addition, the Employer Member will provide prompt notification to the Issuer of the effective date of any changes in a Covered Individual's coverage status under the Group Contract.
- II.** All such notifications by the Employer Member to the Issuer (including, but not limited to, forms and tapes) must be furnished in a format approved by the Issuer and will include all information reasonably required by the Issuer to effect changes. It is also Employer Member's obligation to obtain the required consent(s) from the Covered Individuals to contact Covered Individuals by telephone, or text, including by pre-recorded message, artificial voice, or by use of an automatic telephone dialing system. Minor clerical errors in keeping or reporting data relative to coverage under the Group Contract will not invalidate coverage which would otherwise be validly in force or continue coverage which would otherwise validly terminate. Examples of such minor clerical errors include, but are not limited to, errors appearing in an individual's name, address or birth date as well as typographical errors. The term "minor clerical errors" as used herein does not include Employer Member errors that materially affect an individual's coverage under the Group Contract. It is further understood and agreed that the Employer Member is liable for any substantive error made by the Employer Member in keeping or reporting data which may materially affect an individual's coverage under the Group Contract and for any benefits paid for a terminated Subscriber if the Employer Member had not timely notified the Issuer of such Subscriber's termination. All such data is property of, and owned by, the Issuer.
- III.** In the event of errors or delays in recording or reporting data by the Employer Member, retroactive changes will not be made effective prior to the current month and two (2) previous months.

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