

Broker/Consultant Agreement

This Broker Agreement, hereinafter referred to as "Agreement" is between **City of San Luis**, hereinafter referred to as "Client" and **Susan Posada Agency Inc.**, hereinafter referred to as "Broker/Consultant."

WHEREAS, Client wishes to obtain the assistance of Consultant with strategic benefit planning, design, funding, administration, and communication with respect to its employee benefit programs;

WHEREAS, Consultant has knowledge and expertise in assisting employers with designing and servicing employee benefit plans; and

WHEREAS, the parties wish to set forth their respective expectations;

Now, therefore, for good and valuable consideration, the receipt and sufficiency of which is hereby mutually acknowledged, the parties hereby agree as follows:

I. Scope of Services to be Provided by Consultant

Consultant will provide Client with consulting, and brokerage services for the following compensation and benefit programs listed below:

- Medical (including retirees)
- Prescription Drugs
- Dental
- Vision
- Short-term Disability/Salary Continuation
- Long-term Disability
- Group Life Insurance
- Voluntary Life and AD&D
- Other Related Services

1. Purpose:

Our Purpose is to provide the following general services, but not limited to the following:

- a. To review, advise and make recommendations on the appropriate types of insurance coverage's.
- b. Market, manage and coordinate the bidding process for proposals as required and make recommendations on various carriers and plan designs, stop loss carriers and other related vendors.
- c. Act as a liaison and advocate for the City with the selected insurance companies.
- d. Develop new alternatives to traditional insurance plans as appropriate for the City.
- e. Develop and produce communication material including a custom benefit website.

2. Approach:

Annual Renewal Process

The approach in performing the scope of work is detailed as follows:

- a. As the assigned consultant, a review of the employee benefits, contracts, certificates of coverage and premiums will be performed. An analysis of the insurance proposal will be done and findings will be presented to management. Consult with the Human

- Resources Manager or designee to understand the City's goals, objectives, and proposed changes to plan designs. Listen to concerns and challenges with present carriers. Obtain the needed information to properly design and prepare bid specifications, including but not limited to census information, premium history and carrier statistics (e.g. claims experience, network utilization, RX utilization, premium and loss ratio reports).
- b. Consult with the City on alternative methods to reduce premium dollars and maximize benefit plan designs based on market conditions.
 - c. Prepare bid specifications and review with Human Resources Manager or designee. The bid specifications are designed based on the City's goals, objectives, employees' input, cost and knowledge of the market place.
 - d. Distribute bid request to carriers based on their ability to provide service, history of service, claims experience and general market conditions.
 - e. Analyze bids received. The bids are reviewed for accuracy, ability to perform services in geographic and specific specialty areas. The bids are compared to ensure that the highest benefit is received for the least premium dollar while maintaining the quality of service.
 - f. Negotiate premiums and benefits with the carriers where appropriate.
 - g. Written and verbal recommendations are made to the Human Resources Manager or designee and to the City Council and others as required by the City of San Luis. Once the bid is accepted, a review for any changes is made with the Human Resources Manager or designee.
 - h. Review each carrier's summaries, certificate of coverage, contracts and other printed material to ensure accuracy and adherence to agreements. Coordinate with carrier's and order orientation material and prepare necessary documents required by the carrier to hold enrollment meetings as required by the City of San Luis.
 - i. Manage and Coordinate Open Enrollment Meetings and coordinate with various carriers and the City staff for a successful enrollment.
 - j. Develop and produce benefit material for Open Enrollment meetings and preparation of website for use by Human Resources and employees.

3. Work Plan: Approach, Annual Renewal and Reviews

Approach:

The approach in performing the scope of work is detailed as follows:

Bidding/Renewal Process Continued:

- a. Follow up with carriers to ensure timely receipt of enrollment cards and material.
- b. Review with Human Resource Manager monthly and/or Quarterly carrier status (e.g. claim experience, network utilization, Rx utilization premium and loss ratios) and make modification recommendations, work with carrier or third party administrator to reduce cost.

4. Work Plan: Approach, Ongoing Communication and Meetings

Our objective is to assist, support and educate employees and management with all of the selected benefits. To continually monitor all plans to ensure employee and management satisfaction. The following is our approach:

- a. Coordinate with carrier (s) and prepare necessary documents required by the carrier and hold enrollment meetings as required by the City.

- b. Assist in the enrollment process and obtain new enrollment information for all employees. Work with Human Resources to ensure accuracy of those enrolled with each carrier.
- c. Prepare a brochure that includes cost, summary of benefits, carrier contact and general employee benefit information, to be provided along with all enrollment material to employees.
- d. Prepare and update a custom benefit website with carrier and other required information for the employees and Human Resources.
- e. Follow up to ensure accuracy and timely receipt of member ID cards, summaries, certificates of coverage and claim forms.
- f. Review and present copies of contracts, applications of all benefits to Human Resource Manager in a form that is easily accessible.
- g. Act as consultant on an ongoing basis on various employee benefit related issues; assist in claim and billing management. Interact with City as changes may develop in the employee benefits area that impact the City and its employees.
- h. To review and analyze claim reports, monthly or quarterly as deemed necessary and review with the Human Resource Manager or designee, Management and City Council as needed.
- i. Assist the City in any written procedures and proposals as needed. Communicate and assist in coordinating meetings, answering questions and communicating changes as needed.
- j. Consultant will advise and counsel regarding program funding alternatives, including review fee proposals, recommend budget rates, employee contribution rates, and COBRA rates; select and procure appropriate stop loss terms; and monitor program costs against expectations.
- k. Communication - assist in drafting employee communications regarding benefit program performance and changes, and assist in the review of plan documents and insurance certificates during the planning and enrollment process.

5. Other Services

- A. **Compliance Tools & Legislative Information.** Consultant will provide informational materials on legislative developments affecting employee benefit plans, including access to online reference tools on topics such as FMLA, COBRA, HIPAA, HIPAA Privacy, and Section 125.
- B. **Meetings with Client and Vendors.** Services will include attendance at and facilitation of regular meetings with Client and vendors as needed to facilitate program management including day-to-day operations and planning program changes.
 - Consultant shall meet with Client on a quarterly basis to review all activities performed by Consultant during the prior quarter. The meetings will include discussion of business concerns, including presentations of options and recommendations.
 - Consultant shall meet with Client semi-annually to discuss review of the program, state of the marketplace, progress made toward strategic plan, and developments within Client's organization.
 - Consultant shall meet with Client annually to review the claims reports and review plan performance for the preceding year, review goals and objectives for the upcoming year, and agree upon Consultant's fees for the next twelve-month period.

- C. **Day-to-Day Administrative Issues.** Consultant shall provide assistance in the daily administration of programs, including resolution of vendor service issues and addressing questions and concerns raised by Client's employees and management.

II. Disclosure and Recordkeeping

1. **Full Disclosure.** Client shall approve any arrangements and/or the utilization of any intermediaries in connection with, or arising out of, or in any way related to Client's insurance and risk management program. Consultant must seek approval from Client prior to the use of any of the above in connection with the Client's insurance and risk management program.
2. **Recordkeeping.** Consultant will maintain accurate and current files including, but not limited to, insurance policies and correspondence with insurers or brokers in accordance with industry standard record retention practice or as otherwise directed by Client.

III. Term & Termination

1. **Term.** This initial term of this Agreement shall be 3 years, commencing on April 1, 2013 and ending July 1, 2016 ("Initial Term"). Thereafter, this Agreement will remain in effect until terminated as described below.
2. **Termination.** This Agreement may be terminated by either party only as follows:
 - Effective upon thirty (30) days advance written notice to the other party stating that such other party is in breach of any of the provisions or non-performance of this Agreement, provided such breach (if able to be cured) is not cured within fifteen (15) days after the notice is received;
 - The city can elect to extend or continue this contract beyond the 3 years.

IV. Cost of Services

Consultant professional fees are based upon time expended by specific individuals. The fees do not include out-of-pocket expenses, including expenses related to travel outside of the state. Client agrees to pay Consultant professional fees as outlined in Exhibit 1. These annual fees are payable in monthly installments and Consultant agrees to submit invoices to Client on a monthly basis.

Invoices are prepared and sent by the Third Party Administrator (TPA) according to the agreement and provided monthly by the TPA. Payment for the consultant professional fees, calculated by the TPA are paid by the TPA on a monthly basis.

Additional programs and services will be provided on a project basis for an additional fee to be disclosed in writing and shall be undertaken upon mutual agreement between Consultant and Client. Such programs and services may include, but not be limited to, retiree medical plans, special employee surveys, employee communication materials, and long-term care insurance, vision, disability, life, supplemental life and any other required by the Client. Such Ancillary benefits are paid by the carrier and not by the Client.

V. Personnel

Consultant will assign its personnel according to the needs of Client and according to the disciplines required to complete the appointed task in a professional manner. Consultant retains the right to substitute personnel with reasonable cause. The Account Management Team consists of the following individuals:

Primary Service Team: Susan Posada
Broker/Consultant/ Account Manager

Other Personnel shall be assigned as designed for quality services

VI. Client's Responsibilities

Client will make available such reasonable information as required for Consultant to conduct its services. Such data will be made available as promptly as possible. It is understood by Consultant that the time of Client's personnel is limited, and judicious use of that time is a requirement of this Agreement. Client will make timely payments of the service fees as set forth elsewhere in this Agreement.

VII. Records and Information

Consultant understands and agrees to limit its use and disclosure of protected health information as described in Exhibit 2.

VIII. Independent Contractor

It is understood and agreed that Consultant is engaged by Client to perform services under this Agreement as an independent contractor. Consultant shall use its best efforts to follow written, oral, or electronically transmitted (i.e., sent via facsimile or e-mail) instructions from Client as to policy and procedure.

IX. Fiduciary Responsibility.

Client acknowledges that: (i) Consultant shall have no discretionary authority or discretionary control respecting the management of any of the employee benefit plans; (ii) Consultant shall exercise no authority or control with respect to management or disposition of the assets of Client's employee benefit plans; and (iii) Consultant shall perform services pursuant to this Agreement in a non-fiduciary capacity. Client agrees to notify Consultant as soon as possible of any proposed amendments to the plans' legal documents to the extent that the amendments would affect Consultant in the performance of its obligations under this Agreement. Client agrees to submit (or cause its agent, consultants, or vendors to submit) all information in its (or their) control reasonably necessary for Consultant to perform the services covered by this Agreement.

X. Entire Agreement

This constitutes the entire Agreement between the parties, and any other warranties or agreements are hereby superseded.

Subsequent amendments to this Agreement shall only be in writing signed by both parties.

Raene New
Signature
CITY MAN
Title

6/05/2013
Date

Susan Posada Agency Inc.
[Signature]
Signature
Pres/owner
Title

6/24/13
Date

Exhibit 1

Consulting Fees

The Broker/Consultant commissions shall not exceed 5% of the fully insured equivalent as determined by MMSI/Mayo or the appointed Third Party Administrator each year. This amount is calculated by the third party administrator and provided as a Per Employee Per Month (PEPM) format.

For the year beginning July 1, 2012 to July 1, 2013 the fee as determined by the TPA was \$33.00 and the Consultant agreed to a \$30.00 PEPM. The rate calculation for the \$33.00 fee is attached.

For the year beginning July 1, 2013, the rate as determined by MMSI/Mayo is \$34.07. For the plan year the Broker Consultant has elected to receive \$32 Per Employee Per Month instead of the \$34.07. The rate will not exceed the 5% as determined each year for Medical and Dental benefits as administered by MMSI/Mayo. The calculation by MMSI/Mayo for Plan year 2013/2014 is attached to this contract.

Each plan year beginning 7/1/13 the fee will be calculated based on th 5% of the fully insured equivalent as determined by the TPA.

Any other ancillary fees as paid by the carrier are standard fees paid by the carrier such as for coverage for vision, disability and life. Such payment is paid directly by each carrier and not by the Trust through MMSI/Mayo.

**Mayo Clinic Health Solutions
 Estimated Premium Rate Comparison for
 City of San Luis
 based on Reinsurer Expected Claims Liability**

Current Premium - 2012/2013 Plan Year

- Dependent rates include Employee cost

Coverage	Enrollment Tier	Enrollment Count	Fully Ins'd Equiv Rate	Monthly Premium
Medical	US & Mexico - Employee Cost	89	\$ 429.00	\$ 38,181.00
Medical	US & Mexico - <u>Emp &</u> Spouse Cost	7	\$ 890.24	\$ 6,231.68
Medical	US & Mexico - <u>Emp &</u> Child(ren) Cost	40	\$ 890.24	\$ 35,609.60
Medical	US & Mexico - <u>Emp, Spouse &</u> Child(ren) Cost	17	\$ 1,361.84	\$ 23,151.28
Med & Dent	Mexico - Emp, Spouse & Child(ren) Cost	44	\$ 358.20	\$ 15,760.80
Dental	US & Mexico - Employee Cost	87	\$ 30.00	\$ 2,610.00
Dental	US & Mexico - <u>Emp &</u> Spouse Cost	6	\$ 67.86	\$ 407.16
Dental	US & Mexico - <u>Emp &</u> Child(ren) Cost	27	\$ 67.86	\$ 1,832.22
Dental	US & Mexico - <u>Emp, Spouse &</u> Child(ren) Cost	35	\$ 67.86	\$ 2,375.10
Dental Only	US & Mexico - Dependent Cost	0	\$ 37.86	\$ -
Monthly Premium -				<u>\$ 126,158.84</u>
Annual Premium -				<u>\$ 1,513,906.08</u>

Required Premium based on Rates and Factors - 2013/2014 Plan Year

Fixed Rates

Specific Premium - Employee (\$50K)	89	\$ 92.48	\$ 8,230.72
Specific Premium - Family (\$50K)	64	\$ 228.97	\$ 14,654.08
Aggregate Premium	197	\$ 4.24	\$ 835.28
Medical/Rx Claims Administration Fee	197	\$ 16.70	\$ 3,289.90
Dental Claims Administration Fee	196	\$ 2.60	\$ 509.60
Broker Fee	197	\$ 33.00	\$ 6,501.00
Utilization Review/Case Management Fee	197	\$ 3.00	\$ 591.00
COBRA/HIPAA Fee	197	\$ 0.79	\$ 155.63
PPO Fee - BCBSAZ Medical	153	\$ 13.50	\$ 2,065.50
PPO Fee - BCBSAZ Dental	153	\$ 1.50	\$ 229.50
PPO Fee - Siamed	197	\$ 4.00	\$ 788.00

Aggregate Factors - Medical & Rx

Employee	89	\$ 251.54	\$ 22,387.42
Family	108	\$ 625.09	\$ 67,509.50

Estimated Dental Claims

	\$ 6,500.00
Monthly Premium -	<u>\$ 134,247.13</u>
Annual Premium -	<u>\$ 1,610,965.56</u>

Proposed Premium - 2013/2014 Plan Year

- Dependent rates include Employee cost

Coverage	Enrollment Tier	Enrollment Count	Fully Ins'd Equiv Rate	Monthly Premium
Medical	US & Mexico - Employee Cost	89	\$ 456.50	\$ 40,628.50
Medical	US & Mexico - <u>Emp &</u> Spouse Cost	7	\$ 947.32	\$ 6,631.24
Medical	US & Mexico - <u>Emp &</u> Child(ren) Cost	40	\$ 947.32	\$ 37,892.80
Medical	US & Mexico - <u>Emp, Spouse &</u> Child(ren) Cost	17	\$ 1,449.15	\$ 24,635.55
Med & Dent	Mexico - Emp, Spouse & Child(ren) Cost	44	\$ 381.16	\$ 16,771.04
Dental	US & Mexico - Employee Cost	87	\$ 31.92	\$ 2,777.04
Dental	US & Mexico - <u>Emp &</u> Spouse Cost	6	\$ 72.21	\$ 433.26
Dental	US & Mexico - <u>Emp &</u> Child(ren) Cost	27	\$ 72.21	\$ 1,949.67
Dental	US & Mexico - <u>Emp, Spouse &</u> Child(ren) Cost	35	\$ 72.21	\$ 2,527.35
Dental Only	US & Mexico - Dependent Cost	0	\$ 40.29	\$ -
Monthly Premium -				<u>\$ 134,246.45</u>
Annual Premium -				<u>\$ 1,610,957.40</u>

Commissions based on Expected Liability:	
Commission Percent	5%
Annual Commission	\$ 80,547.87
Monthly Commission	\$ 6,712.32
PEPM Commission	\$ 34.07

Exhibit 2
Business Associate Contract

This Business Associate Contract (Agreement) is entered into by and between the **City of San Luis, and Susan Posada Agency Inc.**, (Business Associate) effective as of July 1, 2013.

WHEREAS, the Covered Entity is a group health plan as defined in the privacy rules adopted pursuant to the Health Insurance Portability and Accountability Act of 1996¹ (HIPAA);

WHEREAS, the Business Associate wishes to perform on behalf of the Covered Entity treatment, payment, or health care operations as defined by HIPAA;

WHEREAS, the parties wish to set forth their understandings with regard to the use and disclosure of Protected Health Information (PHI) by the Business Associate in performance of its obligations;

In consideration of the mutual promises set forth below, the parties hereby agree as follows:

A. OBLIGATIONS AND ACTIVITIES OF BUSINESS ASSOCIATE

1. Use of Protected Health Information (PHI). Business Associate shall not use or further disclose PHI other than as permitted or required by this Agreement or as required by law. To the extent practicable, Business Associate shall limit its use or disclosure of PHI or requests for PHI to a limited data set, or if necessary, to the minimum necessary to accomplish the intended purpose of such use, disclosure or request.
2. Safeguards. Business Associate shall use appropriate safeguards to prevent the use or disclosure of PHI other than pursuant to the terms and conditions of this Agreement, including establishing procedures that limit access to PHI within its organization to those employees with a need to know the information. Business Associate agrees that it will implement appropriate administrative, physical, and technical safeguards to protect the confidentiality, integrity and availability of electronic PHI that it creates, receives, maintains or transmits on behalf of the Covered Entity, as required by the HIPAA Security Rules.

Business Associate acknowledges that the requirements of 45 C.F.R. Sections 164.308, 164.310 and 164.312 applicable to such administrative, physical and technical safeguards apply to Business Associate in the same manner that such sections apply to Covered Entity. Further, Business Associate shall implement, and maintain in written form, reasonable and appropriate policies and procedures to comply with the standards, implementation specifications or other requirements of the HIPAA Security Rule, in accordance with 45 C.F.R. Section 164.316, which applies to Business Associate in the same manner that such sections apply to Covered Entity.
3. Unauthorized Disclosures of PHI. Business Associate shall, within ten (10) business days of becoming aware of a disclosure of PHI in violation of this Agreement by Business Associate, its officers, directors, employees, contractors, or agents or by a third party to which Business Associate disclosed PHI (including a subcontractor), report to Covered Entity any such disclosure. Business Associate agrees to mitigate, to the extent practicable, any harmful effect of the unauthorized disclosure or misuse of PHI.
4. Security Incidents. Business Associate shall promptly report to Covered Entity any Security Incident of which it becomes aware, in accordance with the HIPAA Security Rule.
5. Agreements With Third Parties. Business Associate agrees to ensure that any agents and subcontractors that create, receive, maintain or transmit PHI on behalf of Business Associate with

respect to Business Associate's relationship with Covered Entity, agrees to the same restrictions and conditions that apply to Business Associate with respect to such information.

6. Access to Information. Within ten (10) days of a request by the Covered Entity for access to PHI about an individual contained in a Designated Record Set, Business Associate shall make available to the Covered Entity such PHI for so long as such information is maintained in a Designated Record Set and in accordance with the requirements of 45 C.F.R. Section 164.524. In the event any individual requests access to PHI directly from the Business Associate, Business Associate shall respond to the request for PHI within ten (10) days. Any denials of access to the PHI requested shall be the responsibility of the Business Associate.
7. Availability of PHI for Amendment. Business Associate agrees to make any amendments to PHI in a Designated Record Set that the Covered Entity directs or agrees to pursuant to 45 CFR Section 164.526 at the request of the Covered Entity or an individual, and in the time and manner designated by Covered Entity.
8. Inspection of Books and Records. Business Associate agrees to make its internal practices, books, and records relating to the use and disclosure of PHI received from, or created or received by Business Associate on behalf of Covered Entity available to the Covered Entity, or at the request of the Covered Entity to the Secretary of the U.S. Department of Health and Human Services or its designee (the "Secretary"), in a time and manner designated by the Covered Entity or the Secretary, for purposes of the Secretary determining Covered Entity's compliance with HIPAA.
9. Accounting of Disclosures. Business Associate agrees to maintain and make available to the Covered Entity an accounting of disclosures of PHI as would be required for Covered Entity to respond to a request by an individual made in accordance with 45 CFR Section 164.528. Business Associate shall provide an accounting of disclosures made during the six (6) years prior to the date on which the accounting is requested (or during the three (3) years prior to the date the accounting is requested for PHI maintained in an electronic health record, beginning on the applicable effective date pursuant to the American Recovery and Reinvestment Act of 2009). At a minimum, the accounting of disclosures shall include the following information:
 - a. Date of disclosure,
 - b. The name of the person or entity who received the PHI, and if known, the address of such entity or person,
 - c. A brief description of the PHI disclosed, and
 - d. A brief statement of the purpose of such disclosure, which includes an explanation of the basis of such disclosure.

In the event the request for an accounting is delivered directly to the Business Associate, the Business Associate shall respond to the request within ten (10) days. Any denials of a request for an accounting shall be the responsibility of the Business Associate.

Business Associate agrees to implement an appropriate record keeping process to enable it to comply with the requirements of this Section.

10. Remuneration in Exchange for PHI. Effective Sept. 23, 2013, the effective date of the final HIPAA regulations pursuant to the American Recovery and Reinvestment Act of 2009 and subject to the transition provision of 45 CFR Section 164.532 regarding prior data use agreements, Business Associate shall not directly or indirectly receive remuneration in exchange for any PHI without a valid authorization permitting such remuneration, except as permitted by law.

B. PERMITTED USES AND DISCLOSURES BY BUSINESS ASSOCIATE

1. Business Associate shall not use or disclose any PHI for any purpose other than performance of services for Covered Entity as provided for in the Consulting Agreement dated July 1, 2013. Except as otherwise limited by this Agreement, Business Associate may use or disclose PHI to perform functions, activities, or services for, or on behalf of, Covered Entity as specified above, provided that such use or disclosure would not violate HIPAA if done by the Covered Entity.

C. OBLIGATIONS OF COVERED ENTITY

1. Covered Entity shall comply with each applicable requirement of the HIPAA Privacy and Security Rules
2. Covered Entity shall provide Business Associate with the notice of privacy practices that Covered Entity produces in accordance with 45 CFR Section 164.520, as well as any changes to such notice.
3. Covered Entity shall provide Business Associate with any changes in, or revocation of, permission by individual to use or disclose PHI, if such changes affect Business Associate's permitted or required uses and disclosures.
4. Covered Entity shall notify Business Associate of any restriction to the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 CFR Section 164.522.

D. PERMISSIBLE REQUESTS BY COVERED ENTITY

Covered Entity shall not request Business Associate to use or disclose PHI in any manner that would not be permissible under HIPAA if done by the Covered Entity.

E. TERMINATION

1. Term. The term of this Agreement shall begin on the Effective Date and shall remain in effect until terminated under Section E(2) of this Agreement.
2. Termination. This Agreement shall be terminated only as follows:
 - a. Termination For Cause by Covered Entity

This Agreement may be terminated by the Covered Entity upon fifteen (15) days written notice to the Business Associate in the event that the Business Associate breaches any provision contained in Paragraphs A or B of this Agreement and such breach is not cured within such fifteen (15) day period.
 - b. Termination for Cause by Business Associate

Effective February 17, 2010, this Agreement may be terminated by the Business Associate upon fifteen (15) days written notice to the Covered Entity in the event that the Covered Entity breaches any provision contained in Paragraphs C or D of this Agreement and such breach is not cured within such fifteen (15) day period.
 - c. Termination Due To Change in Law

Either party may terminate this Agreement effective upon thirty (30) days advance written notice to the other party in the event that the terminating party has sought amendment of this Agreement pursuant to Paragraph G(1) and no amendment has been agreed upon.
 - d. Termination Without Cause

Either may terminate this Agreement effective upon ninety (90) days advance written notice to the other party given with or without any reason.

3. Return or Destruction of PHI

Upon termination of this Agreement, Business Associate shall return or destroy all PHI received from Covered Entity, or created maintained or received by Business Associate on behalf of Covered Entity that the Business Associate maintains in any form. Business Associate shall retain no copies of the PHI.

Notwithstanding the above, to the extent that it is not feasible to return or destroy such PHI, the terms and provisions of Sections A, B and C shall survive termination of this Agreement and such PHI shall be used or disclosed solely for such purpose or purposes that prevented the return or destruction of such PHI. When the PHI is no longer needed by the Business Associate, the Business associate shall return the PHI to Covered Entity or shall destroy it

F. DEFINITIONS

Terms used, but not otherwise defined, in this Agreement shall have the same meaning as those terms in the HIPAA Privacy, Security, Breach Notification and Enforcement Rules at 45 CFR Part 160 and 164.

G. GENERAL PROVISIONS

1. Amendment. This Agreement may be amended only by the mutual written agreement of the parties. The parties agree to take such action to amend this Agreement from time to time as is necessary for the Covered Entity or Business Associate to comply with the requirements of HIPAA.
2. Indemnification. Each party shall release, indemnify and hold the other harmless from and against any claims, fees, and costs, including, without limitation, reasonable attorneys' fees and costs, which may be incurred by the acts of that party as a result of or related to the other party's activities pursuant to this Agreement.
3. Remedies. The parties acknowledge that breach of Paragraphs A or B of this Agreement may cause irreparable harm for which there is no adequate remedy at law. In the event of a breach, or if either party has actual notice of an intended breach, such party shall be entitled to a remedy of specific performance and/or injunction enjoining the other party from violating or further violating this Agreement. The parties agree the election of the party to seek injunctive relief and or specific performance of this Agreement does not foreclose or have any effect on any right such party may have to recover damages.
4. Survival. Business Associate's obligation to limit its use and disclosure of Protection Information as set out in Paragraphs A and B survive the termination of this Agreement so long as Business Associate has PHI received during the performance of its services as described in this Agreement.
5. Governing Law. This Agreement shall be construed and enforced in accordance with the laws of the State of Arizona.
6. Assigns. Neither this Agreement nor any of the rights, benefits, duties, or obligations provided herein may be assigned by any party to this Agreement without the prior written consent of the other party.
7. Third-party Beneficiaries. Nothing in this Agreement shall be deemed to create any rights or remedies in any third party.
8. Interpretation. Any ambiguity in this Agreement shall be resolved in favor of a meaning that permits the Covered Entity and/or Business Associate, as applicable, to comply with HIPAA.

9. Notices. Any notice given under this Agreement must be in writing and delivered via first class mail, via reputable overnight courier service, or in person to the following addresses, or to such addresses or facsimile numbers as the parties may specify by like notice:

If to Covered Entity:

If to Business Associate:

Susan Posada

IN WITNESS WHEREOF, the undersigned have executed this Agreement.

Susan Posada Agency Inc.

Signed: _____

Date: 6/24/2013

Name (Print): Susan POSADA

Title: owner / pres

Signed: _____

Date: 6-05-2013

Name (Print): Rafael Velez

Title: CITZ Mgr