No. 258620

Amendment

Attached to and made a part of the Master Services Agreement MSA-285620.

an agreement between

Aetna Life Insurance Company
(hereinafter referred to as Aetna)

and the Customer

Webb County

Nothing contained in this amendment shall be held to alter or affect any of the terms of the Services Agreement other than as herein specifically stated.

It is understood and agreed that the Service Agreement is changed by the addition of the following:

Sections Added	Effective Date
HSA Service and Fee Schedule	January 1, 2025
HSA Services Schedule	January 1, 2025
COBRA Administrative Services Service and Fee Schedule – Per Eligible Participant Per Month	January 1, 2025
COBRA Services Schedule	January 1, 2025

In Witness Whereof, Aetna has signed this amendment at **Hartford**, **Connecticut**, to become effective January 1, 2025.

Signed by Aetna September 25, 2024.

By

Katerina Guerraz
Executive Vice President, Chief Operating Officer
Aetna Life Insurance Company
(A Stock Company)

Signed by the Customer _____
Date

_____ _____
Signature Official Title

HSA
SERVICE AND FEE SCHEDULE
MSA - 285620

The Service Fees and Services effective for the period beginning January 1, 2025, and ending December 31, 2027, are specified below. They shall be amended for future periods, in accordance with section 4 of the Agreement. Any reference to "Member" shall mean a Plan Participant as defined in the Agreement.

Description	Fee
Implementation Fee	Waived
Annual Fee	Waived
Monthly Administration Fee Per Member Per Month (PMPM) Debit card included	$1.35
Minimum Monthly Billing – Per Employer	Waived
• Contract period – three years • Pricing quotations expire 90 days after the initial proposal publication date	

The fees listed below are only charged if the services are applicable/performed for the Customer.

Optional Services	Fee
Enrollment Meeting Support • Less than 500 eligible employees or more than 1 meeting • 500-5,000 eligible employees • 5,000 + eligible employees	• $500 per event, based on availability • 1 free day based on availability, then $500 per day for each additional day • 2 free meetings based on availability, $500 per day for each additional day
Customized website (With or without Single Sign On from another site) Lead-time: 90 days Cut-off for 1/1 business is 9/15	$150.00 per hour
Single Sign On (SSO) to <u>generic</u> member website (Assumes standard for web service call) Lead-time: 60 days	No Charge
Customized Member Flyers and quick reference guides (QRGs) (Revisions to generic member flyers) Lead-time: 5 weeks	$1,000 per flyer Plus printing and shipping costs if needed. Includes two rounds of edits.

<table>
<tr><td>Customized Member communication
Lead time: 5 weeks
• HSA Vetting Communications
o Vetting success confirmation e-mail*
o Vetting failure letter – first letter
o Vetting failure letter – second letter
o Vetting failure letter – final letter
*System-generated</td><td>Costs based on Statement of Work
Plus printing and shipping costs if needed.
Includes two rounds of edits.</td></tr>
<tr><td>Co-Branded Debit Card
Lead-time: 5 weeks
Cut-off for 1/1 business is 10/15</td><td>$750.00
Rush requests and/or requests after 10/15 for 1/1 fulfillment is an additional $150.00 per hour.
A minimum of 3 hours will be charged
$10.00 per card for plan sponsor requested re-issues due to plan changes.</td></tr>
<tr><td>Customized welcome flyers (Revisions to standard card carrier)
Lead-time 5 weeks
Cut-off for 1/1 business is 10/15
*Quantity determined based on number of members. Upon re-stocking, quantity may be re-evaluated.</td><td>$3,000 including two rounds of edits, plus recurring print and fulfillment fees.
Minimum order is 10,000
<table><tr><th>Quantity*</th><th>Price per thousand</th></tr><tr><td>10,000 - 24,000</td><td>$250</td></tr><tr><td>25,000 - 50,000</td><td>$150</td></tr><tr><td>51,000+</td><td>$100</td></tr></table>
Rush requests and/or requests after 10/15 for 1/1/ fulfillment is an additional $150.00 per hour
(A minimum of 3 hours will be charged)</td></tr>
<tr><td>Customized PowerPoint Presentation
Lead-time: 6 to 8 weeks
• Up to 20 slides
• Up to 5 minutes
• Script/Voiceover</td><td>Cost based on Statement of Work
Includes 3 rounds of edits.</td></tr>
<tr><td>Development of Custom Communications
(Postcards, brochures, flyers, email campaigns)
Lead-time: Varies based on type of communication</td><td>Cost based on Statement of Work.
Plus printing and shipping costs if needed</td></tr>
<tr><td>Customized Reporting</td><td>$150 per hour
Statement of Work required</td></tr>
<tr><td>Rejected/NSF Customer Funding ACH transactions</td><td>$50 per occurrence of any Customer funding ACH that is rejected</td></tr>
</table>

HSA SERVICES SCHEDULE
MASTER SERVICES AGREEMENT MSA- 285620
EFFECTIVE January 1, 2025

Subject to the terms and conditions of the Agreement, the services related to the Health Savings Account are identified below. Optional Services may be provided at the Customer's written request under the terms of the Agreement. This Schedule shall supersede any previous document(s) describing the Services.

HSA ADMINISTRATION

This section applies specifically to the Health Savings Accounts ("**HSA**") administered by Aetna on behalf of the Customer.

Any references in the Agreement to the "Plan Participant" shall mean the "Accountholder", as defined below, when used in conjunction with HSA Administration.

I. CUSTOMER'S RESPONSIBILITIES

1. The Customer shall:

a. provide Aetna with the necessary information of the employees that choose to establish an HSA ("**Accountholders**") at least thirty (30) calendar days prior to commencement of the applicable Plan year, and thereafter promptly notify Aetna of all changes or corrections, including, but not limited to, termination, changes in status, or the addition of new Accountholders;

b. distribute the HSA materials provided by Aetna, or its own HSA employee education materials acceptable to Aetna, to eligible employees;

c. distribute to each Accountholder any written or electronic notices as reasonably required by Aetna; and

d. ensure the high deductible health plan (HDHP) it offers or makes available to employees satisfies the applicable requirements of Section 223 of the Code. Aetna is under no obligation to confirm or verify that any HDHP satisfies the requirements of Section 223 of the Code, nor shall Aetna be responsible for eligibility and benefit claims determinations with respect to any HDHP, whether sponsored by the Customer or otherwise, unless otherwise set forth in the Agreement.

2. The Customer acknowledges and agrees that Aetna shall not be liable for any action it has taken (or failed to take) on behalf of the Customer or an Accountholder prior to Aetna's receipt of such information from the Customer.

3. The Customer will not provide any information concerning the available HSA investment options other than that information provided to the Customer by Aetna and specifically approved by Aetna, in each instance, for the Customer's provision to Accountholders.

4. The Customer shall be responsible for wage reporting and any other tax or other reporting or disclosure requirements applicable to it under federal, state or local law.

5. The Customer will be responsible for recording and reporting HSA contributions made through payroll deduction as required. The Customer will provide Aetna with all data on Accountholders and contributions, including payroll deduction and the Customer contributions (if applicable). The Customer is responsible for reviewing and approving such information, including transmissions of contribution information. The Customer shall cooperate with Aetna to reconcile accounts in the event of any discrepancies between the contribution file and the actual funds transmitted and received by Aetna. The Customer will be responsible for providing any disclosure to, and obtaining any consent from, Accountholders that may be required under applicable law to send any of the Accountholder's personal or financial information to Aetna. Aetna will not provide any information regarding HSAs to the Customer that is not permitted under Aetna or the Custodian's (as defined in II.B) privacy policy, the account agreement and/or applicable law.

6. The Customer understands and acknowledges that Aetna will not be responsible or liable for the funding of the HSAs and that the Customer's failure to fund the contributions may result in additional fees, rejection/return of the payroll contributions submitted and/or termination of the HSA administration. The Customer understands that any contributions made to HSAs, including contributions made by the Customer, are non-forfeitable except in limited circumstances as defined by the Internal Revenue Service.

7. The Customer and Aetna agree the HSAs are not governed by ERISA. The Customer agrees to take all reasonable steps to avoid application of ERISA to the HSAs established hereunder, including compliance with the conditions in the ERISA safe harbor exception for group or group-type insurance programs. In the event that any HSAs are, or become subject to, ERISA or any comparable law, the Customer shall ensure full compliance with such laws with respect to such HSAs and under no circumstances shall Aetna be responsible for any such requirements. Neither the Customer nor Aetna will engage in any prohibited transactions with any HSA.

8. The Customer will remit contributions on behalf of the Accountholders by an electronic funds transfer method acceptable to Aetna, with sufficient supporting information to permit Aetna to reconcile contributions to each Accountholder's HSA. The Customer will be responsible for determining and communicating to Accountholders the method(s) by which they can contribute to their HSAs through benefit election, payroll deduction or other mechanism maintained by the Customer. The Customer will also secure any authorization required from Accountholders to contribute funds into their HSAs. In the event that Aetna receives a contribution on behalf of an employee who is not an Accountholder, the contribution will not be processed.

II. AETNA'S RESPONSIBILITIES

1. Aetna shall provide the Customer with (i) HSA associated employee education material; (ii) the terms and conditions governing the HSA, including without limitation the Cardholder Agreement and the Health Savings Account Custodial Member Agreement (the "**Custodial Agreement**"), in electronic format; and (iii) specifications for transmitting eligibility and enrollment information to Aetna.

2. Aetna will provide administrative services to Accountholders in accordance with the terms of the Custodial Agreement. The Customer acknowledges that the Custodial Agreement is solely between the Accountholder, Aetna and the custodian named therein (the "**Custodian**"). The Custodial Agreement does not give the Customer any rights or impose any obligations on the Customer. Neither Aetna nor the Customer will restrict the Accountholder's ability to move funds to another HSA beyond those restrictions defined by the Internal Revenue Code as amended from time to time (the "**Code**").

Aetna and the Custodian retain sole authority and discretion to open and close an HSA or resign as Custodian in accordance with the terms of the Custodial Agreement.

3. Aetna will make available and grant access to a website portal which would allow the Customer to verify whether an HSA has been opened for its eligible employees and to view and transmit certain program data including payroll contribution information.

4. Aetna shall provide debit cards to all HSA Accountholders. Card use is bound by and subject to the terms and conditions of the "Card Association Rules" as described in the Cardholder Agreement provided to each Accountholder upon card issuance.

5. Aetna's responsibility with respect to any HSA tax reporting requirements shall be solely in connection with reporting applicable information to Accountholders and any governmental entity as required by law. Aetna will provide annual and other tax statements to Accountholders as required of HSA administrators. Aetna makes no commitment or guarantee that any amounts paid to or for the benefit of an Accountholder will be, or continue to be, excludable from the Accountholder's gross income for federal, state or local tax purposes. Such determination is the obligation of each Accountholder.

6. Aetna shall provide the Customer with reports to facilitate payroll reconciliation and account status determination. Custom reports may be provided subject to feasibility and data availability, and shall be subject to a reasonable additional cost mutually agreed to by the parties in writing. The Customer shall be billed for programming time in accordance with Aetna's then-current rates unless otherwise agreed to in writing by the parties.

7. Aetna shall credit deposits to each individual Accountholder account based on deposits reported to Aetna by the Customer. Once the deposit is made Aetna may not be able to reverse the transaction. Under no circumstances will Aetna be liable for any loss or expense arising as a result of the Customer's adjustment to payroll contributions. Aetna is unable to accept contributions to an HSA in excess of the statutory maximum annual contribution limit established by law. Aetna will not consider any other factors in determining this limitation (e.g., the actual deductible of the Accountholder's health plan or the number of months that the Accountholder is eligible to make HSA contributions). Accountholders will be solely responsible for any tax or other consequences related to HSA contributions in excess of limits applicable to their particular circumstances.

8. Aetna will arrange for access by Accountholders to a standard slate of investment options, as determined by Aetna, with respect to their HSA.

III. ADDITIONAL ADMINISTRATION INFORMATION

1. Compliance with Law. Aetna shall not perform any substantiation or verification, for qualification as a medical expense or other compliance with law, on any transaction posted to an HSA. HSAs are completely self-directed by the Accountholder and Aetna is not responsible for ensuring compliance with applicable law.

2. Contributions.

a. Funding for HSAs is on a deposit basis and takes the form of an ACH debit that Aetna initiates against the Customer's designated account on each day that HSA deposits are reported by the Customer to Aetna. This may be the same account designated for Administrative Fees, or may be a unique account, at the Customer's discretion. Alternate funding methods may be available and

may be subject to additional charges. In the event the Customer does not fund deposits within a reasonable amount of time (as set by Aetna), the Customer shall be subject to a fee ("**Failure to Fund Submitted Contributions Fee**").

b. If the Customer funds deposit transactions for Accountholders who do not have active accounts, Aetna will attempt to deposit the transactions for a period of 90 days. During this time, funds received from the Customer will be deposited at a financial institution of Aetna's choosing. Any interest generated on such funds shall generally be at federal funds rates. Interest shall be earned on such account beginning on the date funds are transferred from Client to the account and ending on the date the funds are presented for payment, the timing of which is beyond the control of Aetna. Such interest shall be used to pay the fees of the financial institution with respect to such account. To the extent that such interest is not sufficient to pay such fees, Aetna shall pay such fees. To the extent that such interest is in excess of such fees, Aetna shall be entitled to retain such interest. Aetna will return to the Customer any deposit transactions associated with Accountholders without active accounts at the end of the 90 day period, minus any interest Aetna is entitled to keep under this paragraph. The Customer shall be responsible for any accounting or reporting requirements caused by any deposit transactions associated with Accountholders without active accounts. The Customer agrees that in addition to the amounts specified in the Service and Fee Schedule, amounts retained by Aetna under this paragraph constitute reasonable compensation for Aetna's services.

c. Aetna shall have no responsibility with respect to determining whether the Customer has made comparable contributions to HSAs for comparable participating employees under Section 4980G of the Code and applicable regulations.

3. Termination.

a. If the HSA portion of this Schedule is terminated by either party, other than for the Customer's failure to pay Administrative Fees, Aetna agrees to continue to perform Services hereunder for up to three months thereafter in exchange for a fee paid by the Customer equal to three times the amount of the invoice for the last month prior to the effective date of termination. Such fee (and all other amounts owing to Aetna hereunder) shall be paid in full prior to further performance by Aetna.

b. Accountholders may elect to continue their HSA accounts with Aetna after termination of the Agreement or their employment with the Customer, subject to Aetna's terms and conditions and payment of applicable fees directly to Aetna.

4. Billing and Payment of HSA Administration Fees.

Administrative Fees are payable via an ACH debit which shall be initiated by Aetna ten days after the invoice is delivered to the Customer. Aetna shall initiate the ACH debit against an account designated for this purpose by the Customer. This may be the same account designated for contributions, or may be a unique account, at the Customer's discretion. Alternate funding methods may be available.

The Customer shall promptly review and verify the accuracy of each invoice and notify Aetna in writing of any inaccuracy or discrepancy with respect to any amount referenced therein within sixty days after receipt of such invoice, failing which such invoice shall be deemed final, complete and correct for all purposes. Any payments which are not timely paid shall be subject to Late Payment Charges as indicated in the Service and Fee Schedule. In determining applicable Administrative Fees Aetna will be entitled to rely on current enrollment information provided by the Customer.

5. **Communications.** Any notices related to the HSA administration should be directed to11819 Miami Street, suite 200, Omaha NE 68164, Attention: Contracts.

6. **Subcontractors.** Aetna may subcontract HSA administration services at any time without notice to the Customer.

7. **Health Savings Account Advantage**. If selected by the Customer as indicated on the Service and Fee Schedule, Aetna shall provide the Health Savings Account Advantage program. The program will provide support to Plan Participants in three areas - patient advocacy, health care navigation, and surgery cost savings – in an effort to help reduce their out-of-pocket expenses. These services will be provided to Plan Participants who have out-of-pocket health care expenses from a single medical event at a hospital, emergency clinic or surgical center. Such out-of-pocket expenses must meet or exceed the out-of-pocket threshold, as shown on the Service and Fee Schedule, after discounts and benefits have been applied.

COBRA ADMINISTRATIVE SERVICES
SERVICE AND FEE SCHEDULE
PER ELIGIBLE PARTICIPANT PER MONTH
MASTER SERVICES AGREEMENT MSA- 285620
EFFECTIVE January 1, 2025

The Service Fees and Services effective for the period beginning January 1, 2025, and ending December 31, 2025, are specified below. They shall be amended for future periods, in accordance with section 4 of the Agreement.

Implementation and Annual Fees	
Implementation Fee	Waived
Annual Fees	Waived
COBRA Fee Per Eligible Participant Per Month	$0.35 PPPM
Service Included in PPPM Fees	
New Hire COBRA/HIPAA General Rights Notice	Included
Qualifying Event Notification	Included
COBRA Participant Termination	Included
Minimum Monthly Billing	$150.00 per month
Optional Service Fees - NOTE: **Only applicable** if the service is requested by the Customer and performed by Aetna. Optional Service Fee pricing is fixed during the initial Term of the Agreement and are listed below for transparency.	
Annual Open Enrollment Services (*Per package with a $300.00 minimum plus postage, available after Aetna has been providing administration for a minimum of 90 days.)	$15.00 per package plus postage*
Annual Open-Enrollment Election Form Processing (Service offered if the Plan Sponsor administers the open-enrollment but wants the Open Enrollment form returned to Aetna for processing.)	$5.00 per form processed
Re-notification New Hire COBRA/ HIPAA General Right Notice	$4.00 per notice
Custom Mailings (Non-Standard Notices)	$5.00 per notice
Custom Mailings (Set Up Fee)	$150.00 per hour
Manual Notification Form Processing	$10.00 per form
Summary of Benefits and Coverage Form	$0.60 per page plus postage*
Late Payment Notice	$3.00 per notice
Non-Commencement Notice	$3.00 per notice
Custom Letter Fee	$250.00 flat charge (cannot be waived or reduced)
Optional Government Mandated Notice	$10.00 per notice
Premium Disbursement to Carriers (No Fee for remittance to Aetna)	$50.00 per carrier per remittance per month
Customized Reporting and Web Development	$150.00 per hour - $2,500 Minimum
Special Requests	As mutually agreed upon by the Plan Administrator and Aetna
Rejected/NSF Customer Funding ACH transactions	$50.00 per occurrence of any Customer funding ACH pull that is rejected
By the 5th working day of each month, Aetna will provide a bill for all administration from the prior month. Reports	

detailing the prior month's activity will also be provided for your records. PFS shall retain the 2% administrative fee on the total premium administered for COBRA Participants.

Note: The above fees are based on approximately 2587 benefit covered employees with approximately 10% annual turnover. Should there be a variance in turnover exceeding +/- 10%; the fees outlined above are subject to negotiation.

Fee shall remain unchanged during the initial twelve (12) months of the term of the Agreement; thereafter fees are subject to change every twelve (12) months and shall not exceed a three (3) percent net increase per year for the Initial Term of the agreement.

COBRA SERVICES SCHEDULE
MASTER SERVICES AGREEMENT MSA-285620
EFFECTIVE January 1, 2025

Subject to the terms and conditions of the Agreement, the COBRA Administrative Services available from Aetna are described below. Unless otherwise agreed in writing, only the Services selected by the Customer in the Service and Fee Schedule (as modified by Aetna from time to time pursuant to section 4, Service Fees, of the Agreement) will be provided by Aetna. Additional Services may be provided at the Customer's written request under the terms of the Agreement. This schedule shall supersede any previous document(s) describing the Services.

SECTION 1 - DUTIES OF THE PARTIES

Aetna Responsibilities

1.1 The Customer hereby appoints Aetna, and Aetna agrees to provide, administrative services as agreed to between the parties and as further described in this COBRA Services Schedule (the "Services"). Such Services shall be performed in a good and workmanlike manner consistent with industry standards.

1.2 Aetna shall, at its expense, maintain adequate and necessary records on each Participant related to the Services. The Customer shall furnish Aetna with all information necessary for the preparation of such records. Aetna shall not be responsible for verifying the accuracy or completeness of the information provided by the Customer and the Customer shall indemnify and hold Aetna harmless from and against any claim, damage, loss or expense arising out of the inaccuracy or incompleteness of such information.

1.3 At no time shall Aetna provide legal, tax or accounting advice or services in connection with the Services. The Customer shall be responsible for obtaining any legal, tax or accounting advice they deem advisable in connection with any Customer-sponsored employee benefits from their counsel or advisor.

1.4 Aetna shall hold all funds received from the Customer, Participant or on behalf of a Participant as applicable, in an account established for such purpose at a financial institution of Aetna' choosing. Aetna shall pay all fees associated with said account.

Customer's Responsibilities

1.5 The Customer shall be responsible for any delay in the performance of the Services caused by the failure of the Customer to promptly furnish information or funds, as required, to Aetna.

1.6 The Customer shall provide Aetna with complete and accurate information including, but not limited to, proper accounting of all Participants for whom Services are provided, specific coverages and changes and corrections thereto. Aetna shall not be liable for (and Customer releases and discharges Aetna and agrees to defend, indemnify and hold Aetna harmless from and against) any and all claims, damages, losses or expenses suffered or incurred as a result of any inaccurate or incomplete information furnished by Customer to Aetna.

1.7 The Customer is responsible for maintaining reasonable internal control mechanisms as they relate to the Services that Aetna provides, including, but not limited to:

(a) The Customer having its own administration functions and controls so users are removed promptly when they no longer need access to system resources.

(b) The Customer having controls to ensure that all Aetna-generated reports and information received from Aetna are reviewed for accuracy and Participant activity on a timely basis, with any inaccuracies or discrepancies being communicated in writing to Aetna no later than thirty (30) days after such report or information is first generated by Aetna.

(c) The Customer having controls to ensure that any erroneous data is re-submitted to Aetna within thirty (30) days from the time it is first inputted erroneously.

(d) The Customer shall reconcile all cash activity to Aetna-generated reports as soon as reasonably possible (and in any event within ten (10) days after such report is first delivered by Aetna to the Customer). Customer shall advise Aetna in writing of any discrepancies or inaccuracies in connection with such reconciliation within twenty (20) days thereafter.

SECTION 2 - PAYMENTS

2.1 The Customer agrees to pay Aetna the amounts set forth in the Fee and Expense Exhibit.

Such amounts are payable via an ACH debit which shall be initiated by Aetna ten (10) days after the invoice is delivered to the Customer. Aetna shall initiate the ACH debit against an account designated for this purpose by the Customer. This may be the same account designated for ACH funding, or may be a unique account, at the Customer's discretion.

Customer shall promptly review and verify the accuracy of each invoice and notify Aetna in writing of any inaccuracy or discrepancy with respect to any amount referenced therein within sixty (60) days after receipt of such invoice, failing which such invoice shall be deemed final, complete and correct for all purposes. Any payments which are not timely paid hereunder shall, at the option of Aetna, bear interest at a rate of eighteen percent (18%) per annum until paid.

2.2 If, during the term of this Agreement, any tax (other than taxes based on the net income of Aetna) or any other assessment or premium charge, shall be assessed against Aetna with respect to the Services or this Agreement, Aetna shall report the payment of such amount to the Customer and the Customer shall pay such amount directly (or reimburse Aetna for the same, at Aetna' option).

2.3 Nothing in this Schedule shall prohibit Aetna from performing any service not enumerated in this Agreement for a reasonable fee. Any such service and corresponding fee shall be provided only if agreed to by the Customer and Aetna in writing, in advance of such performance.

2.4 If the Customer, for any reason whatsoever, fails to make a required payment on a timely basis, Aetna may (in addition to its other rights and remedies), suspend the performance of the Services until

such time as the Customer makes the proper remittance and otherwise delivers adequate assurance to Aetna, as reasonably determined by Aetna, concerning the Customer's performance hereunder. Aetna shall use reasonable efforts to provide the Customer with up to three (3) days prior written notice of its intention to take such action.

SECTION 3 – UNDERTAKING OF OBLIGATIONS AT DIRECTION OF CUSTOMER

3.1 Aetna shall undertake its obligations hereunder as directed by (and in accordance with instructions provide by) the Customer. Aetna shall at no time exercise any discretionary authority or control respecting the management or administration of the Plan(s), or the management or disposition of any Plan assets. On all matters involving the exercise of discretion, Aetna shall seek direction from the Customer and shall be fully protected, held harmless, and indemnified in so acting consistent with such direction. The Customer acknowledges that the timeliness of providing information and direction to Aetna is critical to the successful completion of the Services. All employee data and other relevant information will be supplied to Aetna in a timely and accurate manner using a pre-approved Aetna format. Aetna is not responsible for the actions of the Customer in processing or interpreting data provided by the Customer or the Customer's failure to provide the necessary data.

Aetna agrees to provide the following services and Customer agrees to provide all information and data as needed.

SECTION 4 - INITIAL/GENERAL COBRA NOTICE

4.1 Customer will notify Aetna in writing within thirty (30) days of new enrollees in a group health plan subject to COBRA, which notice will specify:

(a) the date and type of enrollment;

(b) the names and addresses of each new qualified beneficiary(ies), and

(c) the names and addresses of family members of qualified beneficiary(ies).

4.2 Within ten (10) business days after Aetna receives the notice described in paragraph 4.1 above, Aetna will send with proof of mailing, a letter notifying the appropriate qualified beneficiary(ies) of their right to COBRA continuation coverage upon the occurrence of a qualifying event.

SECTION 5- QUALIFYING EVENT NOTICE

5.1 Customer will notify Aetna in writing within thirty (30) days of a qualifying event occurring, which notice will specify:

(a) the date and type of qualifying event (as set forth in 26 U.S. Code Section 4980B(f)(3)(A) through (F);

(b) the names, social security numbers, addresses and birth dates of all qualified beneficiaries (and the covered Participant if not a qualified beneficiary) and their relationship to each other and to the covered Participant; and

(c) the specific group health plan(s) and combinations of such plans under which the qualified beneficiaries are entitled to COBRA continuation coverage.

5.2 Within fourteen (14) days after Aetna receives the notice described in paragraph 5.1 above, Aetna will send, with proof of mailing, a letter notifying the appropriate qualified beneficiary(ies) of their right to COBRA continuation coverage, along with an election form specifying the group health plan(s) and the cost of coverage thereof to such qualified beneficiaries.

SECTION 6 - NOTICE TO QUALIFIED BENEFICIARIES OF ENROLLMENT

6.1 Within ten (10) business days after Aetna receives a properly completed and signed election form for COBRA continuation coverage and initial payment from the qualified beneficiary(ies), Aetna will send payment coupons or invoice to such qualified beneficiary(ies), provided the election form was returned to Aetna by the qualified beneficiary within sixty (60) days of the date the election form was mailed to the qualified beneficiary, or the loss of coverage date, whichever is later. The initial premium must be postmarked within forty five (45) days after the COBRA election. Aetna will also provide a method for automatic electronic premium payment from a qualified beneficiary's checking or savings account.

6.2 If Aetna receives an election form for COBRA continuation coverage after such sixty (60) day period has expired, Aetna will provide the affected qualified beneficiary(ies) with a notice of unavailability of coverage. Such notice shall be provided within ten (10) business days after Aetna receives the late election form.

SECTION 7 - NOTICE OF SUBSEQUENT QUALIFYING EVENT

7.1 Qualified beneficiary(ies) must notify Aetna in writing within sixty (60) calendar days after the latest of a subsequent qualifying event, which notice will specify:

(a) Name and address of the COBRA Participant entitled to extend the period of COBRA continuation coverage up to 36 months due to a second qualifying event; and

(b) The type of qualifying event.

7.2 Within ten (10) business days after Aetna receives the notice described in paragraph 7.1 above, Aetna will send, by proof of mailing, a letter notifying the appropriate qualified beneficiary(ies) of their right to such extended COBRA continuation coverage, along with an election form specifying the group health plans and the cost of coverage thereof. Aetna will provide the affected qualified beneficiary(ies) with a notice of unavailability of coverage if the event does not qualify as a subsequent qualifying event.

SECTION 8 - NOTICE OF TOTALLY DISABLED QUALIFIED BENEFICIARIES

8.1 Qualified beneficiaries must notify Aetna within sixty (60) calendar days after the latest of (a) the date of the Social Security Administration's disability, (b) the date of the covered employee's termination of employment or reduction of hours; and (c) the date on which the qualified beneficiary loses (or would lose) coverage under the terms of the Plan as a result of the covered employee's termination or reduction of hours. Such notice must be provided within (18) eighteen months after the covered employee's termination of employment or reduction of hours. By providing Aetna with this notice, the qualified beneficiary certifies that the qualified beneficiary is entitled to up to 29 months of COBRA continuation coverage.

8.2 Within ten (10) business days after receiving the foregoing letter. Aetna will determine the qualified beneficiary's ability to extend coverage as described in 26 U.S. Code Section 4980B(f)(2)(B)(i). Upon determination, Aetna will send a letter notifying the totally disabled qualified beneficiary of their ability to extend the maximum period of continuation coverage to 29 months. Aetna will also provide notice to the disabled qualified beneficiary of the increase in premiums to 150% for months 19 through 29 if the Customer elects to charge additional premium. Aetna will provide the affected qualified beneficiary with a denial notice if it is determined that coverage cannot be extended.

SECTION 9 - NOTICE OF EXPIRATION OR TERMINATION OF COBRA CONTINUATION COVERAGE

9.1 Aetna will notify COBRA Participants of the date of termination of their COBRA continuation coverage within ten (10) business days following the date Aetna learns of one or more of the following reasons for termination of COBRA continuation coverage:

(a) failure of the COBRA Participant to timely pay the correct premium for COBRA continuation coverage;

i. For purposes of this Schedule "timely pay" means the initial premium payment is made within forty-five (45) calendar days from the date of the COBRA election, thereafter premium payments will be considered timely if they are made within a thirty (30) calendar day grace period after the first day of the coverage period to which the premiums relate.

(b) coverage of the COBRA Participant under another group health plan, if such plan does not contain any exclusions or limitations with respect to the COBRA participant health coverage;

(c) expiration of the maximum period for COBRA continuation coverage;

(d) the Customer ceasing to provide any group health plan to any Customer employees and all of its commonly controlled trades or businesses (within the meaning of Code Section 414);

(e) the qualified beneficiary, after having elected COBRA continuation coverage, becomes eligible for Medicare;

(f) the Social Security Administrator issues a final determination that the qualified beneficiary is no longer disabled; or

(g) any other event that would cause a qualified beneficiary to lose coverage, such as filing fraudulent or false claims, omitting a material fact or making a misrepresentation of a material fact in connection with the group health plans.9.2 If the reason for notice is the expiration of the maximum period for COBRA continuation coverage, a notice of conversion rights (if available) shall be sent 180 days prior to expiration of COBRA continuation coverage.

SECTION 10 - PREMIUMS FOR COBRA CONTINUATION COVERAGE

10.1 COBRA Participants shall make premium payments, for COBRA continuation coverage and who have made a valid election of COBRA continuation coverage, via mail to Aetna; electronic funds transfer through the Participant's bank to Aetna; or online through the Aetna website. Alternatively, Aetna may accept payments on behalf of the COBRA Participant from other third-parties. Aetna shall deposit such funds received from COBRA Participants into a custodial account established for such purpose at a financial institution of Aetna's choosing. Any interest generated on such account shall generally be at federal funds rates. Such interest shall be used to pay the fees of the financial institution with respect to such account. To the extent that such interest is not sufficient to pay such fees, Aetna shall pay such fees. To the extent that such interest is in excess of such fees, Aetna shall be entitled to retain such interest as compensation for services provided. Premium payments collected by Aetna belong to the Customer, except that Aetna shall retain the two percent (2%) surcharge administrative fee paid by such COBRA Participants. Aetna shall act solely as an administrative collection agent for the Customer in collecting premium payments and will remit payments to the Customer, appropriate insurance carrier, or other entity directed by the Customer by the 15th day of the month following the month in which payment was received.

10.2 When premium payments are received at Aetna, Aetna will notify the appropriate insurance carriers/administrators of eligibility changes including new enrollees or terminations. When premium payments are received by the Customer, the Customer is responsible to notify appropriate insurance carriers/administrators of eligibility changes including new enrollees or terminations.

10.3 If the premium payment is deficient by an amount that is no greater than $50 or 10% of the COBRA premium amount required for that coverage period, Aetna will notify the qualified beneficiary of the deficient amount and provide him or her with a reasonable period of time (not to exceed thirty (30) days) in which to make the payment as described in 26 C.F.R. §54.4980B-8, Q/A-5(d).

10.4 Aetna will provide the Customer with a monthly summary employer census report, COBRA participant payment and refund report, COBRA participant paid through report, deficient payment report and an address update report. The Customer will notify Aetna of any errors or corrections in such reports within thirty (30) days following delivery by Aetna.

10.5 If Aetna receives written notice from the Customer of an increase in the premium amount for COBRA continuation coverage, and such notice specifies the effective date of the increase (which must be at least thirty (30) days after such written notice to Aetna), Aetna will notify the affected COBRA

participants of the amount and effective date of the increase within thirty (30) business days following Aetna's receipt of such written notice from the Customer.

SECTION 11 -ANNUAL OPEN ENROLLMENT SERVICE

11.1 Where agreed upon between Aetna and the Customer, Aetna shall assist the Customer in notifying COBRA Participants of open enrollment rights. Customer shall provide benefit material to Aetna at least sixty (60) days prior to the open enrollment period.

11.2 Aetna will send a letter notifying the COBRA Participant of their open enrollment options. This mailing shall include enrollment forms and benefit communication material as provided by Customer.

11.3 The Customer will provide Aetna with a completed open enrollment document. Upon receipt of the completed open enrollment document from the Customer, Aetna will process the documents and notify the carrier(s) of any change in the enrollment status.