Employee Benefit Systems
214 N. Main Street · PO Box 1053 · Burlington, Iowa 52601
800-373-1327 **or** 319-752-3200 · Fax: 319-758-6271

COBRA Compliance Agreement

Service Effective Date: _____

1. **Employee Benefit Systems/COBRA Administrator**, (hereinafter referred to as **EBS**) provides a service designed to administer compliance requirements with the Consolidated Omnibus Budget Reconciliation Act of 1985 (hereinafter referred to as "COBRA"), Public Law 99-272 and any subsequent amendments thereto.
2. _____**Employer/Plan Administrator** (hereinafter referred to as **ER**) is subject to the requirements of COBRA with respect to a group health plan(s) offered to its employees and qualified beneficiaries.
3. **Qualifying Event** (hereafter referred to as **QE**) is considered as the following: termination of employment; reduction of hours; divorce; loss of dependent status; employee's death; legal separation; employee's entitlement to Medicare.
4. EBS will provide the following services. No other services will be provided other than those specified in this agreement.

In consideration of the mutual promises set forth herein, it is agreed by and between the parties hereto as follows:

1. RESPONSIBILITIES OF EMPLOYEE BENEFIT SYSTEMS (EBS)

A. EBS will prepare and mail Initial COBRA Notices when employee or spouse first becomes covered by a group.
B. EBS will prepare and mail QE notices to Qualified Beneficiaries.
C. EBS will track all deadlines for Qualified Beneficiaries with regard to the Federal Law.
D. EBS will prepare and mail Certificates of Creditable Coverage if elected by employer.
E. EBS will process COBRA election forms and handle any COBRA related inquiries from employees or Qualified Beneficiaries.
F. EBS will process Premium collection and payment distribution back to ER.
G. EBS will notify Qualified Beneficiaries of rate changes and termination of coverage.
H. EBS will send monthly COBRA activity reports to employer.

2. RESPONSIBILITIES OF EMPLOYER/PLAN ADMINISTRATOR (ER)

A. ER shall report timely written notification of New Hires or spouse additions to health care coverage, in the format required by EBS.
B. ER shall report timely written notification of employees who have a QE, in the format required by EBS.
C. ER shall provide correct mailing address information to EBS.
D. ER shall notify existing COBRA participants of change in EBS.
E. ER shall review all monthly reports received from EBS and provide any necessary corrections.
F. ER shall report timely written notification of any changes to Plan Rates to EBS.
G. ER shall report all COBRA QE's to EBS within 30 days of the QE as required by the COBRA law.
H. **ER shall notify insurance carriers of COBRA participants coming on or going off of insurance coverage**.

3. RELATIONSHIP OF PARTIES

The performance by EBS of the services under this agreement is not intended to make EBS the "plan administrator", "plan sponsor", or other "fiduciary" under the Employee Retirement Income Security Act of 1974 ("ERISA"), as amended or otherwise. It is understood that EBS is free to pursue contracts for similar services to be performed for other employers while it is under this agreement with the ER.

In addition to the duties established in this agreement, the ER shall be solely responsible for determining and confirming eligibility for coverage (including adding individuals to and deleting individuals from coverage) under the plan(s) with respect to any qualified beneficiary or any dependents of such qualified beneficiary. Any legal obligation required by federal or state law to be undertaken with respect to the ER's group health plan(s) and that is not expressly agreed to be performed by EBS hereunder, shall be the responsibility of the ER.

EBS is relying on ER to provide correct and timely information. EBS will assume no liability for acting on incorrect information provided by ER.

No other administrative obligation will be added without written request from ER and approval from EBS.

4. PRICING

1. Employer groups will be priced at $1.75 per insured employee, per month (piepm) (minimum $75.00 per month).
2. Included in the piepm fee are Administration Services. Standard reporting and Premium Collection Service.
3. EBS will charge and retain the 2% administrative fees permitted by COBRA law.
4. COBRA re-notifications, due to law changes, will be $15.00 piepm.

5. TERMS OF AGREEMENT

This agreement shall be effective for a term of one (1) year commencing on the Service Effective Date and shall automatically be renewed for successive terms of one (1) year each, until terminated by either party. To terminate this Agreement at the end of each of the one-year periods, the terminating party must give the other sixty (60) days prior written notice of intention not to renew.

6. MISCELLANEOUS PROVISIONS

This instrument embodies the whole agreement of the parties with regards to COBRA Administrative Services. There are no promises, terms, conditions or obligations other than those contained herein; and this agreement shall supersede all previous communications, representations or agreements, either verbal or written, between the parties hereto. This agreement shall be construed under the laws of the State of Iowa. If any part, section, clause, or provision of this agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other part section, clause, or provision thereof.

7. PLAN ADMINISTRATIVE INFORMATION:

Address	City	State	Zip	Phone #	Fax #

# of Insured Employees	Company President – Please Print	Company COBRA Contact – Please Print	COBRA Contact E-Mail

☐ Check here for **HIPAA ADMINISTRATIVE SERVICE.**
Will EBS provide HIPAA Certificate (Certificate of credible coverage upon loss of coverage)? ☐ YES ☐ NO

Please sign where indicated (*X*) to ensure timely processing of this agreement after completing all information fields.

X _____ _____ _____
ER Authorized Signature | Authorized Name & Title (Please Print) | Date

_____ _____ _____
EBS Authorized Signature | Agent Name | Agent Number