

ADMINISTRATIVE SERVICES AGREEMENT

BETWEEN

AMERITAS LIFE INSURANCE CORP.

AND

CITY OF NORTH LAS VEGAS

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Administrative Services Agreement

This Administrative Services Agreement ("Agreement") is between City of North Las Vegas ("Plan Sponsor"), and Ameritas Life Insurance Corp., Lincoln, Nebraska, a Nebraska corporation (hereinafter called "Ameritas"), effective upon the date set forth herein.

WHEREAS, Plan Sponsor has established and will administer an employee dental benefit plan (Plan) according to the Employee Retirement Income Security Act of 1974 ("ERISA") or the Public Health Service Act ("PHSA"), as applicable, for its employees and their dependents;

WHEREAS, Plan Sponsor desires to utilize the services of Ameritas to assist in its duties to administer the Plan; and

WHEREAS, Ameritas has agreed to provide such non-fiduciary administrative services in connection with the Plan such as processing of claims and other services under the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the mutual promises contained in this Agreement, Plan Sponsor and Ameritas hereby agree as follows:

Section I. Scope of Agreement

Ameritas agrees to perform certain non-fiduciary administrative services, such as claim processing and other services specified herein for the Plan, as amended, as described in Addendum A (hereinafter Plan).

Section II. Services to be Provided by Ameritas

Ameritas shall perform the following administrative services in connection with the Plan:

- A. Process claims and determine the Plan benefits applicable to Covered Employees and their dependents (collectively, "Covered Persons"), including coordination of benefits, where applicable, in accordance with the terms of the Plan and as specified to Ameritas by Plan Sponsor, using Ameritas' claim paying system as specified to Ameritas by Plan Sponsor. Ameritas will process claims incurred on or after the Effective Date of this Agreement and received while this Agreement is still in effect.
- B. Notify a Covered Person of the initial denial of a claim (benefits) and his or her right of review of the denial as specified by the Plan Sponsor and in accordance with the terms of the Plan.
- C. Issue checks in payment of benefits payable under the Plan which, subject to the terms of this Agreement, shall be paid through the bank account as set forth in Section IV. of this Agreement.
- D. Answer benefits and claims questions and inquiries of Covered Persons and providers through toll free telephone number.
- E. Communicate with Plan Sponsor as is necessary to verify eligibility of Covered Persons.
- F. Provide to Plan Sponsor estimated Plan benefit costs after the Initial Term, and Plan design and underwriting services in connection with benefit revisions, addition of new benefits, and extensions of coverage to new Covered Persons, as requested by the Plan Sponsor.

- G. Bond all of its employees who will be handling funds of Plan Sponsor.
- H. Prepare reports regarding the Plan for use by Plan Sponsor in accounting for and managing the Plan, which shall include the standard reports identified in Addendum D.
- I. Prepare and provide form 1099 MED for each provider of services, in accordance with IRS rules.
- J. Provide Plan identification cards, Ameritas PPO dentist lists, if applicable, and a description of the Plan, as set forth in Addendum A, for each of the Plan Sponsor eligible employees.
- K. Assist Plan Sponsor upon requests in connection with the general administration of the Plan, administration and record keeping systems for the ongoing operation of the Plan and reconciliation of claims paid. As mutually agreed to by the parties, Ameritas will provide forms, including claims forms, related to the general administration of the Plan.
- L. Maintain all benefit payment records as to requests for benefits for a period of seven (7) years following the month in which the final benefit payment was made, or such longer period as required by applicable law. In the event of discontinuance of this Agreement, Ameritas, upon the Plan Sponsor's request and their expense, shall promptly forward to Plan Sponsor the subject records in its possession in the format identically maintained by Ameritas at the time the Agreement is discontinued. During the time in which Ameritas is to maintain benefit payment records, Ameritas shall be permitted, if it so desires, and unless otherwise prohibited by law, to destroy hard copies whenever the information has been transferred to microfiche or such other similar process which permits the retention of such information.
- M. If it is determined that any payment has been made under this Agreement to an ineligible person, or if it is determined that more or less than the correct amount has been paid by Ameritas, Ameritas will make a diligent attempt to recover the overpayment or will adjust the underpayment in accordance with Ameritas' established claim practices. However, in no event shall such recovery or adjustment be performed in a manner violative of any state's Unfair Claims Practices Act. Ameritas shall not initiate court proceedings for any such recovery. In the event, however, that Ameritas is sued by any beneficiary seeking to recover an adjustment to an alleged underpayment, then the decision whether to defend such court suit shall be the responsibility of Plan Sponsor. Plan Sponsor may direct Ameritas to enter into a settlement or to forego the defense to any such action, provided, however, that Plan Sponsor shall ensure that Ameritas is fully reimbursed and indemnified for any and all payments made by reason of such decision by Plan Sponsor.
- N. If the Plan includes PPO benefits, Ameritas shall arrange for those contracted providers comprising the Ameritas PPO Network to render services to those Covered Persons who seek such services from a member of the Ameritas PPO Network. Ameritas' foregoing obligation, when measured at an individual provider level, is subject to the provider's then-current patient load and ability to accept new patients. Ameritas represents and warrants that in exchange for rendering services to the Covered Persons, each participating provider member of the Ameritas PPO Network agrees to accept the amount set forth in their respective fee schedule as payment in full for procedures listed on the fee schedules and further, that the participating providers have agreed to bill Covered Persons only for the cost of services not covered under the Plan.

Section III. Obligations of Plan Sponsor

Plan Sponsor shall:

- A. Promptly and diligently provide Plan benefit and eligibility information for Covered Persons under the Plan, on or after the Effective Date of this Agreement, to Ameritas in the exact standard eligibility format, as set forth either on Ameritas' e-services portal or on Addendum E, whichever is applicable.
- B. Provide benefit information, eligibility information and periodic (at least monthly) updates of additions, deletions and changes with regard to Covered Persons by an agreed upon medium.
- C. Designate personnel with authority to answer questions relative to eligibility so that accurate eligibility information is available to Ameritas upon request.
- D. Maintain and administer the Plan in compliance with ERISA or the PHSA, as applicable; provide discretionary authority and exercise control respecting plan management and claims decisions.

Section IV. Banking Arrangements

During the term of this Agreement:

- A. All benefit payments made by Ameritas on behalf of the Plan will be issued by Ameritas on checks payable through Ameritas' bank of choice.
- B. Ameritas will send to Plan Sponsor bi-weekly, the Paid/Denied Claim Report identified in Addendum D. Accompanying this report will be a cover letter setting forth the total amount paid as reflected by the report. Three (3) business days after sending, Plan Sponsor will wire transfer to the Ameritas bank account the amount listed in the letter.
- C. Failure to reimburse Ameritas in accordance with the above will result in interest being charged on the unpaid amount from the date due until fully paid at a rate equal to the lower of a) ten percent (10%) per year or, b) the maximum rate allowable by applicable usury laws, and may result in the discontinuance of the Agreement in accordance with Section VI.

Section V. Administrative Service Charge Schedule

- A. Except as otherwise provided hereafter, the Administrative Service Charge for each month of this Agreement shall be as specified in Addendum B, both for the Initial Term of this Agreement and as agreed to thereafter. Initial Term shall be as defined in Section VI., below.
- B. The Administrative Service Charge as applied and provided for in Addendum B, will start on the first day of the month falling on or after the date the applicable coverage is effective. The Administrative Service Charge for the applicable coverage will cease on the last day of the month falling on or after the date of termination of the applicable coverage. There will be no pro rata charges or credits for partial month.
- C. Ameritas will refund unearned Administrative Service Charges to Plan Sponsor for up to three (3) months before the date Ameritas receives evidence that a refund is due.

- D. Prior to the first (1st) day of each month of this Agreement, Ameritas will submit a report identifying the Covered Person(s) and listing the Administrative Charges for the month. Remittance of the Administrative Service Charges, in the form of the Plan Sponsor's check, shall be due by the first (1st) of the month and past due on the tenth (10th) of the month. Such report and remittance shall be subject to audit and adjustment, as necessary, by Ameritas within ninety (90) days of receipt.
- E. The Administrative Service Charge may be adjusted by Ameritas at the start of any Subsequent Agreement Period following the Initial Term, provided Ameritas has given Plan Sponsor at least ninety (90) days advance written notice of its intent to adjust the Administrative Service Charge. Subsequent Agreement Period shall be as defined in Section VI., below. Should Ameritas fail to timely deliver any rate change notice, the rate contained in the notice shall still be effective but not until the first month following the month in which the advance notice period required hereunder ended. Upon the delivery of such rate change notice, Addendum B attached hereto shall be deemed to be modified without any further action by the parties.
- F. During the Initial Term of this Agreement, Plan Sponsor may be eligible for a refund of a portion of the Administrative Services Charges or the Ameritas PPO Access Fees (if applicable) it paid, if Ameritas does not meet the guarantees identified in Addendum C. The refund will be paid to Plan Sponsor within sixty (60) days of the end of the Initial Term in which the guarantee was not met. The calculation of the amount of the refund is described in Addendum C.
- G. During the Initial Term of this Agreement, Plan Sponsor may be eligible for a refund of a portion of the PPO Access Fees paid as identified in Addendum B. The refund will be paid to Plan Sponsor within sixty (60) days of the end of the Initial Term in which the guarantee was not met. The calculation of the amount of the refund is described in Addendum B.

Section VI. Term and Termination

A. Term

- 1. Although executed on the dates shown below, this Agreement shall be effective as of July 1, 2017 through December 31, 2018. This time period shall be considered the "Initial Term".
- 2. This Agreement shall be automatically renewed for successive twelve (12) month periods beginning the first day following the expiration of the Initial Term and each anniversary of such date thereafter, unless terminated as provided for herein. Such renewal periods shall be considered "Subsequent Agreement Periods".

B. Termination

- 1. Termination without cause. This Agreement may be terminated without cause by either Party at the expiration of the Initial Term or any subsequent term with at least thirty (30) days written notice to the other Party in advance of such date. The Parties may also mutually agree in writing to terminate at any time.
- 2. Termination with Cause. Either Party has the right to terminate this Agreement upon at least 30 days' advance written notice of such termination to the other Party if the Party to whom such notice is given breaches any material provision of this Agreement. The Party claiming the right to terminate shall provide the facts underlying its claim of breach and cite the relevant sections of this Agreement that are

claimed to have been breached. Remedy of such breach to the satisfaction of the other Party, within 30 days of the receipt of such notice, shall revive this Agreement for the remaining portion of its then-current term, subject to any other rights of termination contained in this Agreement.

C. Effect of Termination

1. Termination of this Agreement for whatever reason, shall not terminate the rights or liabilities of either Party arising out of a period prior to termination.
2. Ameritas will continue to process all claims received on or before the date the Agreement is terminated. Upon request, and with appropriate guarantees of funding and agreement to Administrative Service Charges from Plan Sponsor, Ameritas will, for a period of ninety (90) days subsequent to the date of termination of this Agreement, continue to process those standard dental claims containing expenses for dental services performed prior to the date of termination of this Agreement which dental claims are received during said ninety (90) day period. At the expiration of said ninety (90) day period, Ameritas will cease all claim processing in accordance with (3) hereof.
3. Plan Sponsor agrees to reimburse Ameritas in the same manner as provided for in accordance with Section IV. B., for benefit payments made subsequent to the date of termination until all payments made by Ameritas have been reimbursed by Plan Sponsor.

Section VII. General Provisions

A. Plan Administration

1. The Plan Sponsor is the fiduciary with respect to the management, and administration of the Plan and Ameritas does not insure or underwrite the liability of the Plan Sponsor under the Plan. Ameritas shall not have discretionary authority or control over plan management or disposition of assets of the Plan (including final claim decisions). In no event shall Ameritas be responsible for Plan Sponsor's compliance with the requirements of ERISA or PHSA if applicable. Ameritas shall not be responsible for complying with the provisions of any federal or state laws and regulations pertaining to the Plan and Plan administration (except as to its non-fiduciary administrative functions regarding processing claims and customer claims service). The Plan Sponsor has final complete discretion to construe or interpret the provisions of the Plan, to determine eligibility for benefits from the Plan, to determine the type and extent of benefits, to be provided by the Plan, and to make final claims decisions under the Plan. Plan Sponsor's decisions in such matters shall be controlling, binding, and final. By this Agreement, Plan Sponsor is delegating to Ameritas such authority as is necessary to process or otherwise resolve undisputed claims, eligibility questions, or other matters governed by this Agreement, but the Plan Sponsor reserves ultimate authority with respect to those and all other aspects of the Plan.
2. Ameritas shall have no responsibility to provide Summary Plan Descriptions or other disclosures required under the PHSA; comply with COBRA or state continuation of coverage requirements; or to comply with HIPAA portability requirements. If such obligations exist, they shall be the sole responsibility of Plan Sponsor and not the responsibility of Ameritas.

B. Indemnification

1. **General Indemnity.** Subject to the limitations on liability contained in Section VII.B.2, below, each party ("Indemnitor") shall indemnify and hold the other party harmless from and against any and all claims, suits, liabilities, obligations, damages and expenses (including reasonable attorneys' fees and expenses of litigation) arising out of either Indemnitor's performance or failure to perform in accordance with the terms of this Agreement or any negligence or willful misconduct of any kind on the part of Indemnitor. Ameritas or Plan Sponsor, as applicable, shall reasonably cooperate with the indemnifying party in connection with the indemnifying party's obligations under this section.
2. **Limitation of Liability.** Except for breach by either party of Sections VII. C. or D., below, neither party shall be liable to the other for any indirect, special, incidental, exemplary, reliance, punitive or consequential damages arising out of or related to this agreement, even if advised of the possibility thereof.
3. **Survival.** The provisions of this Section VII. B. shall survive the expiration or termination of the Agreement.

C. Proprietary Interest

Plan Sponsor acknowledges that the claims paying, administration and eligibility systems employed by Ameritas and the Ameritas PPO Network and the listing of the dental providers participating therein, have been developed by Ameritas and that Ameritas has a proprietary interest therein. Plan Sponsor further agrees that at no time shall Plan Sponsor or any of its employees use such other than for the intended purposes of this Agreement.

D. Confidentiality and Privacy

Except as otherwise provided in this Agreement, all information communicated to one party by the other party, whether before or after the effective date of this Agreement, was and shall be, to the extent permitted by law, received in confidence and shall be used only for purposes of this Agreement. No such information, including without limitation the provisions of this Agreement, shall be disclosed by the recipient Party to other persons including its own employees, except as may be necessary by reason of legal, accounting, regulatory or administrative requirements under this Agreement. The Parties further agree to comply with all applicable laws respecting privacy and security, including HIPAA and to enter into HIPAA Business Associate Agreements and to make any required compliance certifications, as applicable.

E. Examination of Records

Each Party shall have the right to examine any records of the other relating to the other Party's obligations under this Agreement provided, however, such examination shall take place on a regular working day in a manner agreed to between the Parties and in a manner designed to protect the confidentiality of an individual's medical or dental information. The cost of any such examination shall be borne by the Party requesting the examination.

F. Entire Agreement, Amendments, Notices

This Agreement and attached Addendums, shall constitute the entire agreement between the Parties and all prior oral agreements shall be merged into this written Agreement. This Agreement may be amended from time to time by written agreement between the Parties. The Parties may provide notice to each other as follows:

In the case of Ameritas:

Ameritas Life Insurance Corp.
5900 O Street
P.O. Box 81889
Lincoln, Nebraska 68501-1889
Attn: Group Department

In the case of Plan Sponsor:

City of North Las Vegas
2250 Las Vegas Blvd N.
North Las Vegas, Nevada 89030
Attn: Claudia Hincapie

IN WITNESS WHEREOF, Plan Sponsor and Ameritas have caused this Agreement to be executed in duplicate on the dates set forth below.

AMERITAS LIFE INSURANCE CORP.

CITY OF NORTH LAS VEGAS

By: _____


Bruce E. Mieth

By: _____

Title: Senior Vice President - Group Operations

Title: _____

Date: _____

08/02/2017

Date: _____

Addendum A

Description of Plan Booklet

[See attached]

Addendum B - Bank Account, Administrative Service Charges

Bank Account

Financial Institution: Wells Fargo Bank; ABA - 121000248
Account Number: 4945204220

Administrative Service Charges

The Administrative Service Charges from Effective Date to December 31, 2018

\$2.70 per Covered Employee, 1 Dependent, 2 or more Dependent(s) per Month

Fees shown above are based on the services outlined in Section II. Services to be Provided by Ameritas. Any other services and the fees related, if any, are identified in Addendum F, if applicable.

Addendum C - Performance Guarantees

During the Initial Term, Ameritas guarantees the following:

1. (a) At least ninety percent (90%) of all claims will be processed within ten (10) business days of the date Ameritas receives all the information necessary to process the claims. This metric will be measured over a twelve (12) month period using claims processed for Plan Sponsor.
- (b) Claims payments will be at least 99% accurate. This means the claims paid will be within 1% of the amount that should have been paid. This metric will be measured by aggregate claims paid by Ameritas hereunder over a 12 month period.
- (c) The administrative service agreement as well as the initial set of benefit booklets, ID cards and other administrative materials will be mailed within 15 business days of the date all required information is received by Ameritas Life Insurance Corp. at our Administrative Office in Lincoln, Nebraska, and the case has been given final approval and the final form of administrative services agreement is agreed upon by the parties.

If the condition described in (a), (b) or (c) above is not met then the Plan Sponsor is eligible for a refund of a portion of the Administrative Service Charges. The amount of the refund is calculated as follows:

$$\frac{(\text{Annual Administrative Service Charges Paid} - \text{PPO Fees Paid (if applicable)} - \text{Commission or Broker's Fees Paid})}{12} = \text{Average Monthly Charge at Risk}$$

If only 1 of the 3 conditions is not met the refund is 33% * Average Monthly Charge at Risk
If only 2 of the 3 conditions are not met the refund is 67% * Average Monthly Charge at Risk
If all 3 conditions are not met the refund is 100% * Average Monthly Charge At Risk

2. **Claims Management Savings:** During the Initial Term, Ameritas guarantees that its claims adjudication system will generate a claims savings of at least 10% off of submitted dental charges. The actual savings shall be set forth in the Dental Claims Saving Report identified in Addendum D. Should the actual savings percentage shown on the Dental Claims Saving Report for the Initial Term be less than 10%, Ameritas will pay to Plan Sponsor 100% of the Average Monthly Charge at Risk.
3. **PPO Claim Savings:** During the Initial Term, Ameritas guarantees that Covered Persons' use of the Ameritas PPO Network will result in an aggregate claims savings of at least 20% off of the submitted dental charges. The actual PPO panel savings shall be set forth in the Dental Claims Saving Report identified in Addendum D. Should the actual savings percentage shown on the Dental Claims Saving Report for the Initial Term be less than 20%, Ameritas will pay to Plan Sponsor 100% of the Average Monthly Charge at Risk.

Addendum D - Summary of Reports

Bi-Weekly Reports

Paid/Denied Claims Report

Monthly Reports

Fees List Bill

Annual Reports

Informed Selling Reports

Experience Detail Report including EOB's

Dental Calendar Year Maximum Benefit Summary

Customer Reporting Package

Claim Payment Summary

Claim Payment Breakdown by Procedure Type

Claim Summary -- PPO vs. Non-PPO

Claim Payment analysis by Procedure Group

Claim Payment analysis by Category within Procedure Group

Claims Savings Categories

Claims Savings Categories -- PPO

Claims Savings Categories -- Non-PPO

PPO Savings Illustration

Fees include this standard report package. Deviations from these reports and/or frequency will be priced accordingly as shown in Addendum F (if applicable).

Addendum E

If using electronic eligibility submission, include the following language:

File Formats

***5010X220A1 and 4010A1 versions of the HIPAA 834 file format.**

File Transmission

***FTP with PGP Encryption and SFTP**

The fees assume submission of eligibility in a mutually agreed upon electronic media based on the above format. Fees also assume one plan design for all employees, one class and/or division, and one mailing location. Deviations will be priced accordingly as shown in Addendum F (if applicable).

Addendum F

Deviations from Standard Services

(None)