



## **Administrative Services Agreement**

This Agreement when signed by Simple, Inc (Simple) and Sample Company (Employer) will confirm the Agreement regarding the administration by Simple.

In consideration of the promises and mutual Agreements herein contained, the parties hereto agree as follows:

1. **Effective Date of Administration:** 1-1-2012
2. **Claim Payment**
  - 2.1. Simple agrees to provide ministerial claim reimbursement services according to the benefit schedule in the attached Master Application.
3. **Claim Activity**
  - 3.1. Simple agrees to make available a summary report of claim activity to employer, through the method specified in the attached Master Application
  - 3.2. Simple agrees to make available a monthly plan performance summary to Employer, through the method specified in the attached Master Application
  - 3.3. Employer agrees to provide "final authority" in determining benefit provisions, including denial or acceptance of any benefit claim to be paid by exception by Simple on behalf of Employer request.
4. **Eligibility Updates**
  - 4.1. Simple agrees to utilize employee and dependent data provided by Employer to determine whether or not an individual is eligible to receive claim reimbursement. Data shall be gathered and entered in the format specified in the Attached Master Application.
  - 4.2. Employer agrees to timely provide eligibility information to Simple, including, but not limited to, additional employees, terminated employees and covered dependent changes.
  - 4.3. Employer agrees to provide such eligibility information in the format specified in the attached Master Application.
  - 4.4. Employer agrees that changes, terminations or addition to employee information provided later than 30 days after the actual event shall be effective on the first of the following month.
  - 4.5. Employer acknowledges that any funds paid on behalf of individuals ineligible for benefits, cannot be refunded, when such claims are paid because of Employer's inability or failure to provide updated, correct or timely eligibility information, regardless of cause.
5. **Call Center**
  - 5.1. Simple agrees to provide a call center to respond to questions regarding benefit eligibility, benefit explanation and claim processing status.

6. **Claim Account Funding**

- 6.1. Funds used to pay claims shall be held in a business checking account. Ownership and maintenance of such account is specified in the attached Master Application.
- 6.2. Employer agrees to satisfactorily maintain a sufficient account balance to enable Simple to be able to perform reimbursement services as specified within this Agreement and the Master Application. Employer acknowledges that claim funding levels invoiced by Simple to Employer are only projections of anticipated claims and do not provide a guarantee of the availability of sufficient funds to pay all requests for reimbursement.
- 6.3. Employer agrees to provide timely funding based on the monthly invoice provided.
- 6.4. Employer authorizes Simple to pay claims through reimbursement according to levels listed in the attached Master Application.
- 6.5. Simple agrees and Employer acknowledges that, in the event of termination of services provided in this Agreement, all remaining funds in such account shall be returned to Employer, after subtracting any unpaid administrative fees due to Simple.

7. **Optional Services**

- 7.1. Unless specifically indicated in the attached Master Application, no other services are provided by Simple.

8. **Miscellaneous Reporting:**

- 8.1. Employer agrees to satisfy any and all reporting and disclosure requirements imposed by any local, state or federal government, including the preparation and submission of the Form 5000, or its equivalent, the distribution of the Summary Plan Description, Plan Document, Summary Annual Report, and COBRA notification and administration.
- 8.2. Simple agrees to provide a Summary Plan Description/Plan Document to Employer specifically for any Plan(s) administered under this Agreement.

9. **Plan Renewal**

- 9.1. Simple agrees to provide plan recommendations no later than 45 days prior to the Plan Renewal date.
- 9.2. Employer agrees to notify Simple of any desired changes no later than 30 days prior to the Plan Renewal Date. Employer agrees that such changes shall be delivered in writing to Simple at the address provided herein.
- 9.3. Employer acknowledges that in the absence of any changes being received in writing by Simple that the prior year's Plan benefit levels will continue for the renewal year.
- 9.4. Employer and Simple acknowledge that a new Master Application shall be executed prior to the Plan Renewal date and shall replace the prior year's Master Application.

10. **Fees**

- 10.1. Employer agrees to pay set up and administrative fees as outlined in the attached Master Application.
- 10.2. Employer agrees that all administrative fees shall be deducted by Simple from the Claim Account Fund, around the 5<sup>th</sup> of each month.
- 10.3. Employer agrees that any and all fees for the subsequent year may be adjusted by Simple on the Plan Renewal date.
- 10.4. Simple agrees that Renewal Fees increases shall not exceed the latest US Government Consumer Price Index average for the prior six months, unless such fees are approved by Employer.
- 10.5. Simple agrees to provide no less than 30 days written notice of any fee adjustment.

11. **Term and termination**

- 11.1. This Agreement is for an initial term of twelve months and will renew for subsequent periods of one year until terminated according to this Section.
- 11.2. Either party shall have the right to terminate this Agreement without cause at the end of any 12-month annual period. Such termination requires no less than 30 days written notice by the terminating party.
- 11.3. Simple may terminate this Agreement For Cause In the event that Employer fails to fund Employers account sufficiently for Simple to pay current and pending claims, or sufficient to pay administrative fees to Simple as specified within this Agreement.
- 11.4. Simple may terminate this Agreement For Cause due to Employer's failure to submit additions and terminations on a timely basis, resulting in Simple's inability to determine eligibility for benefits.
- 11.5. Employer may terminate this Agreement For Cause due to gross negligence or repeated failure of Simple to perform administrative services as specified in this Agreement.
- 11.6. "For Cause" termination may be requested with no less than 3 days written notice to the other party.
- 11.7. Any termination of this Agreement must occur in writing to the physical address to either Employer or Simple, listed within this Agreement.
- 11.8. In the event of termination of this Agreement by Employer at the Plan Renewal date, Simple agrees and Employer acknowledges that Simple should continue to pay claims that have been incurred prior to the termination date, but submitted to Simple after the termination date, for a period of three months after the termination date. In such event, Employer agrees that Simple shall collect full administrative fees for each of the three months from the Claim Account.

12. **Limits of Liability**

- 12.1. Simple shall act solely in a ministerial capacity on behalf of the Employer and shall not be a fiduciary with respect to the Employer or plan participants, or any other party.



14.4. In the event the parties are unable to resolve any dispute over the meaning or interpretation of this Agreement, they agree to seek professional mediation for a period of 90 days from notice to resolve such dispute. The parties shall share the cost of such mediation equally, and shall agree to waive any defence of laches or the statute of limitations that might otherwise arise as a result of the time spent pursuing mediation. Such time shall be calculated from the receipt of written notice of a demand to enter mediation, to the end of the 90-day period or the formal termination of either party's participation in the mediation process, whichever is later. Both parties agree to designate the American Arbitration Association and follow its mediation procedures.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by the authorized officers of each for the parties hereto the day and year first herein set forth.

Simple, Inc. (Administrator)

Sample Company (Employer)

By: X \_\_\_\_\_

By: X \_\_\_\_\_

\_\_\_\_\_  
Print name

\_\_\_\_\_  
Print Name

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Dated: \_\_\_\_\_

Dated: \_\_\_\_\_