

MASTER EMPLOYER SERVICES AGREEMENT

American Fidelity Assurance Company ("American Fidelity" or "We" or "Us") is pleased to partner with the employer signing below ("Employer" or "You"), to assist You with enrolling Your employees in their selected benefits and offer the services You have elected or that You may wish to obtain from time to time (the "Services"). The parties agree to the terms and conditions set forth in this Master Employer Services Agreement (the "Master Agreement") and in each exhibit ("Exhibit") referencing this Master Agreement, whether entered into at the same time as this Master Agreement or at a later date. Each Exhibit is incorporated into this Master Agreement; the Exhibits and this Master Agreement are collectively referred to as the "Agreement."

1. Our Obligations.

a. We will perform the Services selected as of the date hereof, or those added from time to time by Your request, in a professional and timely manner, and in compliance with all applicable laws.

b. In connection with the Services and with the sales of supplemental insurance products ("Products"), We will provide You with enrollment support during mutually agreeable days and times, and We will provide salaried account managers to You and Your employees during the enrollment. At Your request, We will assist with new hire enrollment.

c. We will be responsible for providing, administering, managing, and supporting all resources that We require to provide, perform, and deliver the Services. This includes personnel, hardware, software, and facilities.

2. Your Obligations. In exchange for the Services, You agree to provide support to Us in the following ways:

a. Allow Us to be the primary provider for the Products, and allow Us to offer Your eligible employees the Products and participant services that You select, whether through a Section 125 flexible benefit plan or other arrangement, to the extent permitted by law;

b. Support opportunities to communicate the Product offerings through a jointly determined and approved enrollment process and assist Us by communicating with employees explaining the benefits of meeting with American Fidelity;

c. Permit Us opportunities to present to employees and/or employee groups prior to enrollment;

d. Provide Us with adequate working conditions (for example, building space for one-on-one benefit reviews) during enrollment meetings;

e. Provide Us with an employee census in order to prepare the enrollment within the time frame agreed upon each year;

f. Utilize Our online billing services to manage the billing of Products and Services; and provide Us with such other administrative services regarding the Products as may be mutually agreed between the parties.

3. **Employer Data.** You will provide or make available to Us, in an electronic manner and format as is mutually agreed upon (for example, by providing electronic data files containing appropriate data fields in a standard format) such data of and about You and Your employees as is necessary and appropriate for American Fidelity's completion of the enrollment and for performance of the Services ("**Employer Data**"). We are authorized to access, use, modify, transmit, maintain, and disclose Employer Data as necessary and appropriate for the completion of the enrollment and to perform the Services throughout the term of the Agreement. You acknowledge that You have authority to instruct Us in how to handle Employer Data. You are and shall remain the owner of the Employer Data. You agree that We may rely on the accuracy of Employer Data, as provided or made available by You, in the performance of Services. We will utilize reasonable administrative, physical, and technical security measures to protect the confidentiality of the Employer Data, all subject to the privacy and data handling practices described at www.americanfidelity.com/privacy, as updated from time to time (the "**Data Handling Practices**"). Each party shall comply with the provisions of the Business Associate Addendum attached hereto (the "**BAA**"), with respect to Employer Data that constitutes "Protected Health Information" (or "**PHI**") under federal law. We understand that for certain Services, We are be considered a Business Associate under HIPAA. The Data Handling Practices and the BAA are incorporated into this Agreement by this reference.

4. **Proprietary Information.** You acknowledge that We (and Our third-party licensors and suppliers) own and shall retain all right, title, and interest in and to any computer programs and software, and other proprietary information (collectively, "**IP**") that We provide and use to perform the Services or otherwise made available to You under this Agreement. We represent that We have the rights necessary for the use of any IP in the performance of the Services or otherwise in accordance with this Agreement. You agree to use any IP We make available to You under this Agreement solely as necessary to receive the Services.

5. **Provision of Data to Third Parties At Your Direction.** If You instruct Us to release Employer Data to third parties (to Your benefit consultant, other insurance carriers, or Your System (defined below), for example), You will be responsible for compliance matters relating to that release, and We cannot be held liable for any acts or omissions of such third parties in connection with Employer Data We provide pursuant to this section.

6. **Employer Software Integration** (if applicable). Where You request that We transmit data electronically from and to Your payroll or human resource information system (the "**System**") in order to facilitate Our provision and administration of insurance benefits and Services, You authorize Us to access Employer Data and (if applicable) to return updated information via the electronic methods (e.g., via EDI or API) permitted by Licensor or the System. You may withdraw your authorization upon written notice; We will cease access to the System and terminate any electronic data exchange in place. Where the System does not have a public API/EDI process, You agree to work with Your System's licensor for Us to share certain demographic, financial, or personal data related to Your employees with Your System. This information includes but is not limited to information such as name, marital status, history of employee benefit elections, Social Security number, date of birth, and other identifiers.

7. **Other Responsibilities.** During the term of this Agreement, We shall maintain insurance coverages applicable to Our business, including statutory workers' compensation coverage and employer's liability; (b) automobile coverage; (c) commercial general liability insurance; and (d) cyber liability insurance. We self-insure for our professional errors and omissions coverage.

8. **Confidentiality.** Each party shall keep confidential all information acquired relating to the following (all such information, "**Confidential Business Information**"): (i) the financial condition and other information relating to the business of the other party, including its rates for services and products, its operations and contracts, and its business plans and arrangements; (ii) the systems,

products, plans, services, marketing, sales, administration and management procedures, trade relations or practices, know how, techniques and practices heretofore or hereafter acquired, developed and/or used by the other party; and (iii) other information that should reasonably be assumed to be confidential or secret. Neither party shall at any time disclose any such Confidential Business Information to any person or use the same in any manner other than in connection with the provision or receipt of Services under this Agreement or in connection with enforcing its rights under the Agreement. Neither party shall under any circumstances use Confidential Business Information of the other party in any way reasonably perceived as detrimental to the other party. Notwithstanding the foregoing, the term "Confidential Business Information" shall not include the following: any information which was independently developed by a party without the use of the Confidential Business Information of the other party; any information which is or becomes available in the public domain during the term of the Agreement (without the fault of the other party); any information which is ordered to be released by requirement of a governmental agency or court of law; and any information independently made lawfully available to a party as a matter of right by a third party. Notwithstanding the foregoing, each party may disclose to and permit use of the Confidential Business Information of the other party by their respective legal counsel, auditors and representatives, provided that such legal counsel, auditors or representatives are bound by obligations of confidentiality.

9. **Breach of Confidentiality.** If We believe that the security, integrity or confidentiality of any Employer Data or Your Confidential Business Information in Our possession or control has been compromised or subject to unauthorized access, We will promptly notify You; take prompt action to investigate the incident or potential incident and mitigate any harm flowing from the incident; make any required notifications to third parties at Our expense; and take prompt action to prevent any similar incidents from occurring. If the Employer Data involved constitutes Protected Health Information (PHI), We will comply with the provisions of the Business Associate Agreement between Us.

10. **Limitation of Liability.** TO THE EXTENT PERMITTED BY APPLICABLE LAW, THE ENTIRE LIABILITY OF AMERICAN FIDELITY FOR ALL MATTERS OR CLAIMS RELATING TO THE AGREEMENT (INCLUDING ANY EXHIBIT) SHALL BE LIMITED TO THE AMOUNT PAID BY EMPLOYER FOR THE SERVICES WITH RESPECT TO WHICH SUCH CLAIM RELATES DURING THE TWELVE (12) MONTHS PRIOR TO SUCH CLAIM, EXCEPT WHERE AMERICAN FIDELITY HAS BEEN GROSSLY NEGLIGENT OR ENGAGED IN ANY TYPE OF INTENTIONAL MISCONDUCT. AMERICAN FIDELITY SHALL NOT BE LIABLE FOR ANY INDIRECT, SPECIAL, INCIDENTAL, PUNITIVE OR CONSEQUENTIAL DAMAGES.

11. **Force Majeure.** Subject to the terms of the BAA, We shall not be held responsible or deemed to have breached Our obligations for any interruption or delay in the performance of the Services due to causes beyond Our reasonable control, including but not limited, to, natural disasters, acts of God, civil disturbances, epidemics, disruption of public markets, armed conflict, or the inability to obtain sufficient materials or services required in the conduct of Our business, including Internet access, or any change in or the adoption of any law, judgment, or decree.

12. **Term; Termination.** This Agreement and any Exhibits attached as of the date hereof shall last for one year from the date of Your signature, and after the first year, will automatically renew for additional one-year periods unless and until a party terminates with 60 days' written notice to the other. If an Exhibit doesn't describe an applicable start or ending date, the Exhibit shall be in effect so long as this Agreement is in effect, although individual Service may also be terminated with 60 days' written notice. If all Services provided under Exhibits are terminated and we no longer offer Insurance products to Your employees, then this Agreement shall automatically be terminated.

13. **Transition Services.** At the conclusion of the term, We will deliver or make available to You records relating to the Services. We will reasonably assist (as determined in Our discretion)

with the transition of services to another provider but reserve the right to charge a reasonable market charge for specialized transition assistance.

14. **Record Maintenance.** Each party shall maintain, for such periods as required by applicable law, records of transactions under this Agreement and provide such information to the other party as is reasonably required to accomplish the terms of this Agreement. Notwithstanding the foregoing, We may retain one copy of any electronic communications between the parties for archival purposes only, which copies will be deleted pursuant to Our document retention policies.

15. **Notice.** All notices under this Agreement should be in writing, with the phrase "LEGAL NOTICE" in the subject line. The notice address for each party is set forth below the signature blocks; a party may change its address by giving notice as described in this Section. Notices given under the Agreement shall be deemed to have been received: (a) immediately upon personal delivery; (b) three business days after the date of posting of notice sent by registered or certified mail; (c) on the date shown on the signature confirmation of the overnight service; or (d) on confirmation of receipt by email. We may also post notices regarding the Services on the applicable electronic portal for the Service, provided that such notice is conspicuous upon log on.

16. **Audit.** You will be authorized to perform an audit of data specifically related to Our performance under this Agreement upon reasonable prior written notice, with any audit to be performed during normal working hours. You acknowledge and agree that if You request an audit, You shall reimburse Us for reasonable expenses in assisting You to perform the audit.

17. **Miscellaneous Provisions.**

a. Services are provided to the extent permitted by law. We cannot provide tax or legal advice. You acknowledge and agree that the Services provided under this Agreement (including, but not limited to, any and all information, materials, forms and on-line enrollment platform or service center access) are not intended to be, and will not be, relied upon by You as legal, financial, insurance, or tax advice.

b. We may also terminate or modify the Agreement when regulatory changes or restructuring of Our business require such changes.

c. In the event of a dispute, a party will inform the other and the parties agree to make a good faith attempt to reach a mutually acceptable resolution. If We are unable to reach a resolution, the parties agree that any unresolved dispute arising out of this Agreement shall be decided exclusively by binding arbitration with a single arbitrator pursuant to the Commercial Rules of the American Arbitration Association, with the place of arbitration to be in the home city of party not making the initial demand. The arbitrator shall use Oklahoma law to understand and enforce the provisions of this Agreement, without regard to its conflicts of laws provisions.

d. If any provision of this Master Agreement, or any Exhibit, is invalid, illegal, or incapable of being enforced, all other terms or provisions shall remain in full force and effect so long as the economic or legal substance of the transactions contemplated is not affected in any manner materially adverse to any party. We will negotiate in good faith to modify this Agreement or Exhibit, to achieve the original intent of the parties as closely as possible in an acceptable manner.

e. No failure or delay by any party in exercising any right under this Agreement or any Exhibit will operate as a waiver thereof. No waiver of any provision shall be effective unless set forth in writing and signed by the party who is waiving.

f. This Agreement may be executed in one or more counterparts, all of which together will be one original. Signatures to this Agreement may be delivered via PDF, facsimile or other reliable electronic delivery, and shall be binding as if they were originals. A party executing this Agreement electronically is consenting to electronically access, review, sign, and authenticate certain documents and statements.

g. Whenever You are permitted or required to do or perform any act or thing under this Agreement, it shall be done and performed by one of Your employees or agents with the proper authority.

AMERICAN FIDELITY
ASSURANCE COMPANY

BROWNING PUBLIC SCHOOLS

By: _____
Name:
Title:

By: _____
Name:
Title:

Address for Notice:

Address for Notice:

American Fidelity Assurance Company
Attn: AFES
9000 Cameron Parkway
Oklahoma City, OK 73114

P.O. Box 610
Browning, MT 59417

With a copy to:
American Fidelity Assurance Company
Attn: Law Dept.
9000 Cameron Parkway
Oklahoma City, OK 73114

BUSINESS ASSOCIATE ADDENDUM

THIS BUSINESS ASSOCIATE ADDENDUM (the "Addendum") supplements and is made a part of, as applicable, the Master Employer Services Agreement (the "Agreement") by and between **AMERICAN FIDELITY ASSURANCE COMPANY**, with a principal place of business at 9000 Cameron Parkway, Oklahoma City, OK 73114 (hereafter "Business Associate") and **Employer** (hereafter "Covered Entity") and is effective as of the date of the Agreement.

BACKGROUND

Business Associate may have access to, create or receive Protected Health Information, as hereinafter defined, on behalf of the Covered Entity in connection with services to be provided by Business Associate to Covered Entity under the Agreement from time to time; and

Covered Entity wants to satisfy the applicable requirements of the Privacy Rule, Security Rule and Standard Transactions Rule, as those terms are hereinafter defined, by obtaining satisfactory assurances from Business Associate concerning Business Associate's use, disclosure, requests for, and safeguarding of Protected Health Information, and Business Associate wants to provide such assurances, as more particularly set forth in this Addendum, in order to continue to provide the services; and

Business Associate agrees to comply with the requirements of the Health Insurance Portability and Accountability Act of 1996 (as may be amended from time to time, "HIPAA") (Public Law 104-191) and the Health Information Technology for Economic and Clinical Health Act (as may be amended from time to time, the "HITECH Act") (Division A, Title XIII and Division B, Title IV of Public Law 111-5) and implementing regulations (Title 45, Parts 160, 162 and 164 of the Code of Federal Regulations) dealing with the confidentiality, security and standardized transmission of health or health-related information, as applicable to Business Associate;

AGREEMENT

NOW THEREFORE, for and in consideration of the foregoing premises, which are incorporated into and made a part of this Addendum, the parties agree as follows:

1. **REFERENCES.** A reference in this Addendum to any HIPAA Rule means such rule as interpreted under applicable regulations and guidance of general application or published by HHS, including all amendments thereto for which compliance is required, as amended by the HITECH Act.
2. **DEFINITIONS.** Terms used, but not otherwise defined, in this Addendum shall have the same meaning as those terms in the HIPAA Rules.

Specific definitions:

- a) *Breach.* "Breach" means the acquisition, access, use, or disclosure, or possibility of acquisition, access, use, or disclosure of Protected Health Information in a manner not permitted by the Privacy Rule.
- b) *Designated Record Set.* "Designated Record Set" shall have the same meaning as set forth in 45 CFR § 164.501 and refers to an item, collection, or storing of information that contains Protected Health Information that is used, in whole or in part, to make decisions about individuals, their treatment or billing for services rendered, including medical records and billing records, enrollment, payment, claims adjudication and case or medical management record systems.

- c) *Electronic Health Record*. "Electronic Health Record" shall have the same meaning as set forth in section 13400(5) of Public Law 111-5 and any implementing regulations.
- d) *HHS*. "HHS" means the U.S. Department of Health and Human Services.
- e) *HIPAA Rules*. "HIPAA Rules" means the Privacy Rule, Security Rule and Standard Transactions Rule, collectively, as they exist now or as they may be amended
- f) *HITECH Act*. "HITECH Act" shall mean the Health Information Technology for Economic and Clinical Health Act included in the American Recovery and Reinvestment Act of 2009, Public Law 111-5.
- g) *Limited Data Set*. "Limited Data Set" shall have the same meaning as set forth in 45 CFR § 164.514(e)(2).
- h) *Privacy Rule*. "Privacy Rule" means the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Part 160 and Part 164, Subparts A and E, as they exist now or as they may be amended.
- i) *Protected Health Information*. "Protected Health Information" shall have the same meaning as the term "protected health information" in 45 CFR § 160.103, but for purposes of this Addendum shall be limited to such information created or received by Business Associate from or on behalf of Covered Entity.
- j) *Required By Law*. "Required By Law" shall have the same meaning as the term "required by law" in 45 CFR § 164.103. In general, "Required by Law" means a mandate contained in law that compels a person to make a use or disclosure of Protected Health Information and that is enforceable in a court of law.
- k) *Secretary*. "Secretary" means the Secretary of the U.S. Department of Health and Human Services or his designee.
- l) *Security Incident*. "Security Incident" means the attempted or successful unauthorized access, acquisition, use, disclosure, modification, or destruction of Protected Health Information (whether electronic or non-electronic) or interference with system operations of an information system involving Protected Health Information.
- m) *Security Rule*. "Security Rule" means the Security Standards set forth at 45 CFR Parts 160 and 164, as they exist now or as they may be amended.
- n) *Standard Transactions Rule*. "Standard Transactions Rule" means the Standards for Electronic Transactions set forth at 45 CFR, Parts 160 and 162, as they exist now or as they may be amended.
- o) *Unsecured Protected Health Information*. "Unsecured Protected Health Information" means Protected Health Information that is not rendered unusable, unreadable, or indecipherable to unauthorized individuals through the use of a technology or methodology specified by the Secretary in guidance issued under section 13402(h)(2) of Public Law 111-5 on the HHS Web site.

3. OBLIGATIONS AND ACTIVITIES OF BUSINESS ASSOCIATE

- a) Business Associate agrees not to use or disclose Protected Health Information other than as permitted by the Agreement and this Addendum.
- b) Business Associate agrees to use appropriate safeguards to prevent any use or disclosure of Protected Health Information for any purpose other than as permitted by this Addendum.
- c) Business Associate agrees to ensure that any agent, including a subcontractor, to whom it provides Protected Health Information agrees to the same restrictions and conditions applicable, as set forth in this Addendum, to Business Associate, with respect to Protected Health Information and agrees to implement reasonable and appropriate administrative,

technical and physical safeguards to protect the confidentiality and security of Protected Health Information.

- d) Business Associate agrees to make its internal practices (including policies and procedures), books, records, and services relating to the use and disclosure of Protected Health Information and the safeguards established with respect to such information available:
1. to Covered Entity within thirty (30) business days of the date Business Associate receives a request from Covered Entity; and
 2. to the Secretary in the time and manner as directed by the Secretary.

Notwithstanding the above, no attorney-client, account-client, or other legal privilege shall be deemed waived by Covered Entity or Business Associate by virtue of this provision.

- e) Business Associate acknowledges that the Privacy Rule requires Covered Entity to provide individuals with a number of privacy rights, including the right to inspect and copy Protected Health Information within the possession or control of Covered Entity and its business associates, the right to amend such Protected Health Information, and the right to obtain an accounting of disclosures of Protected Health Information to third parties for certain purposes. To assist Covered Entity in complying with these requirements, Business Associate agrees to the following:
1. Within ten (10) days of a request by Covered Entity, Business Associate shall, as directed by Covered Entity, either (a) provide a copy of such Protected Health Information as is specified by Covered Entity to Covered Entity or to an individual specified by Covered Entity or (b) make such Protected Health Information available for inspection and copying by an individual specified by Covered Entity. To the extent that Business Associate uses or maintains an Electronic Health Record with respect to Protected Health Information, Business Associate shall comply with the requirement of this Section to provide a copy of Protected Health Information upon request by providing an electronic copy of such information to Covered Entity, the individual or a third party designated by the individual, as directed by Covered Entity. Business Associate shall maintain a record of any access to Protected Health Information provided under this Section in such form as may be specified by Covered Entity and shall provide a copy of such record to Covered Entity promptly upon request. If any individual requests access to Protected Health Information directly from Business Associate, Business Associate shall notify the individual that the request will be forwarded to Covered Entity and shall promptly forward such request to Covered Entity.
 2. Within a reasonable time after request by Covered Entity, Business Associate agrees to amend or correct Protected Health Information as directed by Covered Entity.
 3. Business Associate agrees to record each disclosure made to a third party of Protected Health Information as would be required by Covered Entity to respond to a request by an individual for an accounting of disclosures of Protected Health Information in accordance with 45 CFR § 164.528, with the exception of disclosures made for any of the following purposes:
 - i. treatment, payment, or Covered Entity's health care operations;
 - ii. in response to a request from the individual who is the subject of the disclosed Protected Health Information or that individual's personal representative;
 - iii. to persons involved in that individual's health care or payment for health care;
 - iv. for national security or intelligence purposes;
 - v. to law enforcement officials or correctional institutions regarding inmates; or
 - vi. that are part of a Limited Data Set.

At a minimum, Business Associate shall track the following information regarding each disclosure:

- i. Date of the disclosure;
- ii. Name of the third party to whom Protected Health Information was disclosed and if known, the address of the third party;
- iii. A brief description of the disclosed information; and
- iv. A brief description of the purpose and basis for disclosure.

Business Associate shall maintain a record of such information for no less than six (6) years from the date of disclosure and shall provide such information to Covered Entity within ten (10) days of a request by Covered Entity or, if directed to do so by Covered Entity, shall respond to requests for an accounting of disclosures on behalf of Covered Entity in a manner and timeframe that will allow Covered Entity to comply with the Privacy Rule.

It is not anticipated that Business Associate will use or maintain Electronic Health Records on behalf of Covered Entity. However, to the extent that Business Associate does use or maintain any Electronic Health Records on behalf of Covered Entity, Business Associate shall maintain such records of its disclosures of Protected Health Information to third parties with respect to such Electronic Health Records as necessary for Covered Entity to comply with section 13405 of Public Law 111-5 and any implementing regulations. Business Associate shall provide such records of disclosure to Covered Entity upon request or, if directed to do so by Covered Entity, shall respond to requests for an accounting of disclosures on behalf of Covered Entity in a manner and timeframe that will allow Covered Entity to comply with applicable law.

- f) Business Associate agrees to implement administrative, physical and technical safeguards and security policies and procedures and documentation standards to protect the confidentiality, integrity and availability of Protected Health Information in compliance with 45 CFR §§ 164.308, 164.310, 164.312 and 164.316 in the same manner as such sections apply to Covered Entity.
- g) Business Associate agrees to report any Security Incident to the individual or department designated by Covered Entity on the signature page hereto or otherwise so designated in writing (the "Compliance Contact"). Business Associate shall make such report promptly in writing but in no case more than thirty (30) business days after Business Associate learns of a Security Incident. Such report shall include the following:
 1. A description of what happened, including the date of the Security Incident and the date of discovery of the Security Incident;
 2. A description of the types of Protected Health Information that were involved in the Security Incident (such as whether full name, social security number, date of birth, home address, account number, diagnosis, disability code or other types of information were involved) and whether any such information was Unsecured Protected Health Information;
 3. Identification of each individual whose Unsecured Protected Health Information has been, or is reasonably believed by Business Associate to have been, accessed, acquired, used, disclosed, modified or destroyed during such Security Incident;
 4. Business Associate's assessment of whether the Security Incident constitutes a Breach, including Business Associate's reasons for concluding that the Security Incident is, or is not, a Breach. This assessment should address, at minimum, information as to the likelihood of reidentification of the information, the person(s) who acquired the information, whether the PHI was actually acquired or viewed, and the extent to which the risk has been mitigated;

5. Such other information as Covered Entity may request.

- h) Business Associate agrees to cooperate fully with Covered Entity in investigating any Security Incident and implementing such measures to mitigate any harmful or potentially harmful effects of such Security Incident, as deemed appropriate by Covered Entity in its sole and absolute discretion, including, but not limited to, notifying affected individuals, appropriate authorities and media of the Security Incident, regardless of whether the Security Incident constitutes a Breach and regardless of whether notification is Required by Law, and providing affected individuals with services to protect themselves against identity theft.
- i) Until such time as the Secretary issues guidance on what constitutes "minimum necessary" for purposes of the Privacy Rule and such guidance becomes effective, Business Associate agrees to limit the use, disclosure or request for Protected Health Information, to the extent practicable, to the Limited Data Set or, if needed by Business Associate, to the minimum necessary to accomplish the intended purpose of such use, disclosure or request in accordance with 45 CFR § 164.502(b). On and after the effective date of guidance first issued by the Secretary on what constitutes "minimum necessary," Business Associate shall limit the use, disclosure or request for Protected Health Information to the minimum necessary in accordance with such guidance. In the case of the disclosure of Protected Health Information by Business Associate, Business Associate shall determine what constitutes the minimum necessary to accomplish the intended purpose of such disclosure, consistent with performance of the services for which Business Associate has been retained by Covered Entity and any directives or guidelines Covered Entity may specify.
- j) Business Associate agrees that it shall not directly or indirectly receive remuneration in exchange for any Protected Health Information; *provided, however*, that this provision shall not prohibit Business Associate from (a) accepting remuneration from Covered Entity in consideration for the services performed by Business Associate for Covered Entity or (b) charging individuals a reasonable, cost-based fee approved by Covered Entity for providing a Copy of Protected Health Information pursuant to Section 3(e)(1) of this Addendum.
- k) If and to the extent that Business Associate conducts any transaction subject the Standard Transactions Rule for or on behalf of Covered Entity, Business Associate shall comply, and shall require any agent or subcontractor conducting such transaction to comply, with each applicable requirement of the Standard Transactions Rule in the same manner as such requirement applies to Covered Entity. Business Associate shall not enter into, or permit its agents or subcontractors to enter into, any agreement in connection with the conduct of any transaction for or on behalf of Covered Entity that:
 - 1. changes any definition, data condition, or use of a data element or segment as described in the Standard Transactions Rule (45 CFR § 162.915(a));
 - 2. adds any data elements or segments to the maximum defined data set as described in the Standard Transactions Rule (45 CFR § 162.915(b));
 - 3. uses any code or data elements that are either marked "not used" in the Standard Transactions Rule's implementation specifications or are not in the Standard Transaction Rule's implementation specifications (45 CFR § 162.915 (c)); and
 - 4. changes the meaning or intent of any of the Standard Transactions Rule's implementation specifications (45 CFR § 162.915(d)).
- l) To the extent required by law, Business Associate shall defend, indemnify and hold harmless Covered Entity from and against any penalties, attorneys' fees, costs, expenses, losses, claims, damages or liabilities (or actions in respect thereof) to which Covered Entity may become subject insofar as such penalties, attorneys' fees, costs, expenses, losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any Security Incident, breach of this Agreement or any unauthorized use or disclosure of

Protected Health Information by Business Associate and/or agents or subcontractors acting or accessing PHI on behalf of Business Associate.

- m) Business Associate agrees to execute an appropriate Business Associate Agreement with any agent, subcontractor, or other such party accessing Protected Health Information on behalf of Business Associate.
- n) Business Associate shall complete a periodic assessment of Business Associate's privacy practices and provide a summary regarding same to Covered Entity upon request.

4. PERMITTED USES AND DISCLOSURES BY BUSINESS ASSOCIATE

- a) Except as otherwise limited in this Addendum, Business Associate may use or disclose Protected Health Information to perform functions, activities, or services for, or on behalf of, Covered Entity as necessary to perform any written agreement for services between Covered Entity and Business Associate, provided that such use or disclosure would not violate the Privacy Rule if done by Covered Entity.
- b) Except as otherwise limited in this Addendum, Business Associate may use or disclose Protected Health Information to the extent necessary for Business Associate's proper management and administration, or to carry out Business Associate's legal responsibilities if:
 - 1. The disclosure is Required by Law; or
 - 2. Business Associate obtains reasonable assurances, evidenced by written contract, from any person or organization to which Business Associate shall disclose such Protected Health Information that such person or organization shall:
 - i. hold such Protected Health Information in confidence and use or further disclose it only for the purpose for which Business Associate disclosed it to the person or organization or as Required by Law; and
 - ii. notify Business Associate, who shall in turn promptly notify the Compliance Contact, of any instance which the person or organization becomes aware of in which the confidentiality of such Protected Health Information was breached.
- c) Except as otherwise limited in this Addendum, Business Associate may use Protected Health Information to provide data aggregation services to Covered Entity as permitted by 45 CFR § 164.504(e)(2)(i)(B).

5. OBLIGATIONS OF COVERED ENTITY

- a) Covered Entity shall not request Business Associate to use or disclose Protected Health Information in any manner that would not be permissible under the Privacy Rule if done by Covered Entity.
- b) Covered Entity shall notify Business Associate of any limitation(s) in Covered Entity's notice of privacy practices in accordance with 45 CFR § 164.520, to the extent that such limitation may affect Business Associate's use or disclosure of Protected Health Information.
- c) Covered Entity shall notify Business Associate of any changes in, or revocation of, permission by an individual to use or disclose Protected Health Information to the extent that such changes may affect Business Associate's use or disclosure of Protected Health Information.
- d) Covered Entity shall notify Business Associate of any restriction to the use or disclosure of Protected Health Information requested by an individual to which Covered Entity has agreed in accordance with 45 CFR § 164.522, to the extent that such restriction may affect Business Associate's use or disclosure of Protected Health Information.

6. TERM AND TERMINATION

- a) *Term.* This Addendum shall terminate when all of the Protected Health Information provided by Covered Entity to Business Associate, or created or received by Business Associate on behalf of Covered Entity, is destroyed or returned to Covered Entity, or, if it is not feasible or permitted by law to return or destroy Protected Health Information, protections are extended to such information in accordance with the termination provisions in this Section.
- b) *Termination for Cause.* Upon Covered Entity's knowledge of a material breach of this Addendum by Business Associate, Covered Entity shall either:
 - 1. Provide an opportunity for Business Associate to cure the breach and terminate the Agreement and this Addendum and any service agreement between the parties if Business Associate does not cure the breach within such reasonable time period specified by Covered Entity (not less than thirty (30) days) after Covered Entity notifies Business Associate in writing of the breach; or
 - 2. Immediately terminate the Agreement and this Addendum and any service agreement between the parties if Business Associate has breached a material term of the Agreement or this Addendum and cure is not possible; or
 - 3. If neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary.

Covered Entity's remedies under this Section shall be cumulative and the exercise of any remedy shall not preclude the exercise of any other. Before exercising any of these options, Covered Entity shall provide reasonable written notice to Business Associate describing the violation and the action it intends to take.

- c) *Effect of Termination.*
 - 1. Except as provided in paragraph 2 herein below, upon termination of the Agreement and/or this Addendum for any reason, upon direction of Covered Entity, Business Associate shall return or destroy all Protected Health Information received from Covered Entity, or created or received by Business Associate on behalf of Covered Entity. This provision shall also apply to Protected Health Information that is in the possession of agents or subcontractors of Business Associate. Business Associate shall retain no copies of Protected Health Information, unless Required by Law.
 - 2. In the event Business Associate reasonably determines that returning or destroying Protected Health Information is not feasible, Business Associate shall provide to Covered Entity notification of the conditions that make return or destruction not feasible and shall extend the protections of the Agreement and this Addendum to such Protected Health Information and limit further uses and disclosures of such Protected Health Information for so long as Business Associate maintains such Protected Health Information.

7. MISCELLANEOUS

- a) *Regulatory References.* All references to the HIPAA Rules codified in 45 CFR shall mean the referenced sections as in effect or as amended by the HITECH Act and as may be further amended by law or regulation.
- b) *Amendment.* The Parties agree to take such action as is necessary to modify the Agreement and/or this Addendum from time to time as is necessary for Covered Entity to comply with the requirements of the Privacy Rule, the Security Rule, the Standard Transactions Rule, the Health Insurance Portability and Accountability Act of 1996, and any other applicable law.

- c) ***HITECH Act Compliance.*** The parties acknowledge that the HITECH Act includes several provisions impacting the health care industry, including significant changes to the HIPAA Rules. The Privacy Subtitle of the HITECH Act sets forth provisions that significantly change the requirements for business associates and the agreements between business associates and covered entities under the HIPAA Rules and many of these changes will be clarified in forthcoming regulations. Each party agrees to comply with the applicable provisions of the HITECH Act and any implementing regulations issued thereunder and agree to take such action to modify this Addendum as reasonably necessary to comply with the HITECH Act and its implementing regulations, guidance, and interpretations as they become effective.
- d) ***Audit.*** Covered Entity may, at any time upon reasonable prior notice, examine the use, disclosure and maintenance of Protected Health Information by Business Associate and Business Associate's employees, officers, directors, agents, auditors, attorneys and independent contractors, including the safeguards employed to protect the confidentiality of Protected Health Information. Business Associate shall cooperate fully in any such examination and shall require Business Associate's employees, officers, directors, agents, auditors, attorneys and independent contractors to cooperate fully.
- e) ***Ownership of Information.*** As between Covered Entity and Business Associate, Covered Entity shall retain all right, title and interest in and to all Protected Health Information. Subject to the terms and conditions of this Addendum, Covered Entity grants Business Associate a limited, non-exclusive and non-transferable license to use Protected Health Information as necessary to perform the services specified in the written agreement(s) for services between Covered Entity and Business Associate.
- f) ***Expenses.*** Business Associate's compliance with this Addendum, including without limitation, providing access to Protected Health Information; accounting for disclosures of Protected Health Information; correction or Addendum of Protected Health Information; cooperation with the implementation of mitigating measures deemed appropriate by Covered Entity following a Security Incident; the return or destruction of Protected Health Information; and cooperation with any examination of the use, disclosure or maintenance of Protected Health Information by Business Associate, shall be at Business Associate's sole expense.
- g) ***Irreparable Harm.*** Business Associate acknowledges and agrees that any use, disclosure or maintenance of any Protected Health Information in a manner inconsistent with this Addendum may give rise to irreparable injury to Covered Entity for which damages would not be an adequate remedy. Accordingly, in addition to any other legal remedies which may be available at law or in equity, Covered Entity shall be entitled to equitable or injunctive relief against the unauthorized use or disclosure of Protected Health Information or failure to maintain the security of Protected Health Information as required by this Addendum.
- h) ***Severability.*** To the greatest extent possible, each provision under this Addendum shall be interpreted in such a manner as to be valid under applicable law, but if any provision of this Addendum is found to be invalid, it shall be to that extent deemed omitted, and the balance of the Addendum shall remain enforceable.
- i) ***Survival.*** The rights and obligations of the parties under Section 3(l) and Section 6(c) ("Effect of Termination") of this Addendum shall survive the termination of the Agreement and this Addendum.
- j) ***Interpretation.*** Any ambiguity in this Addendum shall be resolved to permit Covered Entity to comply with the Privacy Rule, the Security Rule, the Standard Transactions Rule, the Health Insurance Portability and Accountability Act of 1996, the HITECH Act and any other applicable law.
- k) ***No Third Party Beneficiaries.*** Nothing express or implied in this Addendum is intended to confer, nor shall anything confer, upon any person other than the Covered Entity and Business Associate, and their respective successors or assigns, any rights, remedies, obligations or liabilities whatsoever.

- l) *No Agency Relationship.* Nothing express or implied in this Addendum is intended to establish, nor shall anything establish, an agency relationship between the Covered Entity and Business Associate, and their respective successors or assigns.
- m) *Entire Agreement; No Waiver.* This Addendum constitutes the entire agreement between the parties relating to the use and disclosure of Protected Health Information. There are no understandings or agreements relating to the use and disclosure of Protected Health Information which are not fully expressed in the Agreement and this Addendum and no change, waiver or discharge of obligations arising under the Agreement and this Addendum shall be valid unless executed in writing by the party to whom such change, waiver or discharge is sought to be enforced.

EXHIBIT FOR SECTION 125 ADMINISTRATIVE SERVICES

This Exhibit for Section 125 Administrative Services is by and between American Fidelity Assurance Company ("We" or "Recordkeeper") and the employer executing the Master Employer Services Agreement (the "Master Agreement") to which this Exhibit is attached ("You" or "Sponsor"), for Your Section 125 Flexible Benefit Plan (the "Plan"). The terms of the Master Agreement govern this Exhibit unless expressly provided otherwise herein; Plan-specific benefits are addressed in additional Exhibits.

1. Definitions and Scope.

- a. Definitions. Capitalized terms used in this Exhibit have the meanings provided below or the meanings given in the Master Agreement or the Plan.

"Account" means one or more accounts maintained in Your name for the payment of Plan benefits.

"Code" means the Internal Revenue Code of 1986, as amended, including regulations and official guidance issued thereunder.

"DCA" means a dependent care account.

"Employer" means Sponsor and any successor or affiliate which maintains the Plan.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, including regulations and official guidance issued thereunder.

"Exhibit" means this Exhibit for Section 125 Administrative Services, with any and all further supplements and amendments thereto.

"Healthcare FSA" means a healthcare flexible spending account or a limited purpose flexible spending account.

"HRA" means a Health Reimbursement Arrangement. While HRAs are not eligible to be included in Section 125 Plans, the services provided are the same (sample plan document, recordkeeping and claims) and are as described in this Exhibit and the HRA-specific attachment.

"HSA" means a Health Savings Account.

"New Participant" means an employee newly hired during the plan year and who has not previously participated in the flexible spending accounts during the current plan year.

"Participant" means any employee of Yours or a participating affiliate who is eligible to, and does, participate in one or more of the benefit arrangements provided under the Plan. For purposes of the Healthcare FSA, "Participant" does not include employees who participated during the current plan year, left the plan by discontinuing contributions to the plan, and who then are rehired.

"Policy" means the medical expense reimbursement insurance risk coverage contract. You have either (a) applied for coverage under the Policy, (b) not applied for the Policy and will assume the uniform coverage risk for the medical expense reimbursement; or (c) have not submitted any signed Agreement because the Plan does not include medical expense reimbursement.

"Reimbursement Account" means any of the Healthcare FSA, HSA, Health Reimbursement Arrangement, and DCA, as applicable.

- b. **Scope of Services.** You give Us the authority to act on Your behalf in connection with the Plan as expressly stated in this Exhibit. We undertake non-discretionary duties under this Exhibit and do not intend to be the named fiduciary, sponsor, or plan administrator of the Plan, or to assume any of the duties or responsibilities that go with those designations. You will be ultimately responsible for the design and operation of Your Plan. If the Plan is subject to ERISA, You are considered the plan administrator and named fiduciary of the Plan benefits.

2. Section 125 Administrative Services, Generally.

- a. **Sample Plan Documents.** We will provide You, in your capacity as Sponsor of the Plan, with (a) sample documents for the creation of Plan documents for You to review with counsel, approve and execute, including sample board resolutions, plan documents and plan amendments (if any). You are responsible for reviewing and ensuring that such documents properly reflect the terms of the Plan, and You understand that We are not providing legal or tax advice by providing sample documents. If You deliver executed Plan documents to Us, We will retain them in Our records. You acknowledge that You are ultimately responsible for determining the legal and tax status of the Plan and for maintaining records of the Plan.
- b. **Recordkeeping.** We will maintain, for the duration of this Exhibit, the usual and customary books, records and documents, including electronic records, that relate to the Plan and its Participants that We have prepared or received from authorized third parties. If You terminate Our recordkeeping services, we will deliver such records to You, subject to Our right to retain copies of any records We deem appropriate. We will reasonably assist in the transition of services but reserve the right to charge a reasonable market charge for specialized transition assistance.
- c. **Account.** You are required to collect contributions for Insurance premiums and Participant accounts pursuant to the Plan and each Participant's elections. You have requested that We remit payments for premiums and hold and administer account contributions as Your agent, for the benefit of Participants in the Plan. You hereby request that We establish a non-interest-bearing account for and on behalf of Employer and Participants in the Plan. Pursuant to the terms and provisions of the Plan, You will collect and deliver to Us all amounts collected under the Plan as soon as reasonably possible following Your receipt in accordance with the terms of the Plan, and all amounts We receive will be credited to Your account. No credits for adjustments on previous billings are allowed; any necessary adjustment will be resolved separately from the monthly contributions upon written agreement.
- d. **Customer Service.** We will provide electronic administrative services twenty-four (24) hours per day, seven (7) days per week, and will have customer service personnel during our normal business hours. We will not be deemed in default of the Agreement, nor held responsible for, any cessation, interruption or delay in the performance of Our obligations hereunder due to causes beyond Our reasonable control, including, but not limited to, natural disaster, acts of God, labor controversy, civil disturbance, disruption of the public markets, epidemic or pandemic, war or armed conflict, or the inability to obtain sufficient materials or services required in the conduct of Our business, including Internet access, or any change in or the adoption of any law, judgment, or decree.
- e. **Participant Services.** We will make available to each Participant an online portal, where Participants may view balances, statements, transactions, contribution and distribution information, investment positions, and access forms and documents. We will also provide access to an online payment solution, which provides Participants with the ability to add and store payees and make one-time or recurring payments to payees or themselves. Participants are solely responsible for providing complete and accurate payee and identification so that they may be properly credited by the provider; and ensuring sufficient funds and time for such directed payments. We shall make available monthly statements to Participants to view and download from the website. There may be a nominal charge to Participants for paper statements. We shall make Information available to educate employees about the available Plan options, to help employees make contribution

decisions, and spend their account balances. This may include educational programs, online resources, and email-based messaging.

3. Section 125 Services Relating to Reimbursement Accounts (if applicable).

- a. Claims Processing; Appeals.** We will accept and process Reimbursement Account claims received from Participants in Our usual and customary manner, in accordance with the terms and conditions, including timeframes, of the applicable Plan (as set forth in the Plan document), and in accordance with applicable law. (Insurance claims related to insurance products offered as benefits under the Section 125 Plan are subject to the applicable policy language and requirements and are not processed under this Exhibit.) We will notify Participants with regard to any claims that are denied due to inadequate substantiation or data submission, or which require additional documentation or substantiation, and will provide an adequate period of time for the Participant to provide the required documentation or to resubmit the claim. We will refer to You for final determination of any claim for benefits under a reimbursement account plan that is appealed after Our denial, or (a) any question of eligibility or entitlement of the claimant for coverage under the Plan; (b) any question with respect to the amount due; (c) any other appeal; or (d) any claim which requires interpretation of the Plan document or other claims processing and approval guidelines You have provided. Where applicable, We will follow the requirements of ERISA as reflected in the Plan document with regard to denial of claims.
- b. Prior Reimbursement Requests.** Except as indicated otherwise on Reimbursement Account-specific Exhibits or as specifically agreed upon in writing between You and Us, We will have no duty or obligation with respect to claims incurred prior to Our becoming the recordkeeper ("Prior Reimbursement Requests"). You agree that: (a) We have no responsibility or obligation with respect to Prior Reimbursement Requests; and (b) if We have not explicitly agreed in writing to process Prior Reimbursement Requests, You will be responsible for processing such requests (including any run-out claims) and maintaining legally required records of all Prior Reimbursement Requests sufficient to comply with applicable legal (e.g., Internal Revenue Code substantiation) requirements. Sponsor shall retain full responsibility for the accuracy and overall compliance of its Plan with respect to the claims processing prior to Our appointment as recordkeeper. If We have explicitly agreed in writing to process Prior Reimbursement Requests or provide other administrative services before the effective date of Our appointment, We will process and reimburse such claims upon Your request, using each Participant's remaining balance as You indicate. We will not be responsible or liable for any consequences, damages, penalties, or similar issues relating to Prior Reimbursement Requests or Prior administration services, including but not limited to processing and reimbursing FSA or HSA claims per Your direction from Your previous Plan year (or any portion thereof) which was not fully administered by Us.
- c. Payment of Benefits.** You authorize Us to pay or deny claims for reimbursement of eligible medical expenses and eligible dependent care expenses in accordance with the terms of the Plan and the Code. You authorize and direct Us to pay Plan benefits from Your Account. Upon Your election, We will make a Benefit Debit Card available to Participants. The Benefit Debit Card will be linked to the Participant's applicable Reimbursement Account and may be used to pay for qualified medical expenses from Your Account. Participants will be subject to the terms and conditions of the cardholder agreement distributed with the card.
- d. Financial Responsibility for Claims; Reconciliation.** Funding for any benefit payment to (or on behalf of) the Participants under the Reimbursement Accounts, including but not limited to, all benefits payable to or on behalf of Participants and Beneficiaries in accordance with the Plan, is the sole responsibility of Sponsor. You acknowledge and agree that if debit cards are issued at Your request, Sponsor shall have responsibility for any transactions initiated by holders of such debit cards, including any Participant or beneficiary or any spouse or other third party. At the end of the Plan year, We will reconcile the contributions due under Your Plan with disbursements made, and You agree to accept liability for, and provide sufficient funds to

satisfy, all payments to Participants and beneficiaries under the Plan, including claims for reimbursement for covered expenses as described in the applicable Plan documents, if such expenses are incurred, the claim is presented for payment (and where applicable, substantiated) during the term of this Exhibit. The foregoing sentence does not apply to the Healthcare FSA where You have applied for the Policy. You agree to reimburse Us within 30 days of the Your receipt of the notification of the amount due. This notification will be sent following the run-off period at the end of the Plan year.

- e. **Reporting; Tax Forms.** We will make available information to You and to Participants via electronic means. You may request summary reports from Us. We will provide information related to Our Services that may be necessary for You to prepare and satisfy any state or federal reporting or disclosure requirements.
 - f. **Standard of Care; Erroneous Payments.** We will use reasonable care and due diligence in the exercise of Our powers and the performance of Our duties under this Exhibit, provided that a higher standard of care will be exercised where required by applicable law. If We make any payment under this Exhibit to an ineligible person, or if more than the correct amount is paid, We will make reasonable efforts to recover any payment made to or on behalf of an ineligible person or any overpayment made to a Participant. You will cooperate with Us and any other parties (for example, parties involved in processing any debit card transactions) to recover funds credited to or expended by Participants in error. You will assist us in applying the Code requirements when improper benefit card transactions occur, including, where applicable, offsetting against subsequent valid expense claims under the Plan, invalidating a Participant's debit card, or reducing wages to repay an improper expense. If the improper expense remains unpaid, You may be asked to treat the payment as indebtedness to the Plan and report the unpaid amount as cancellation of indebtedness income on the Participant's Form W-2.
 - g. **Notices to Sponsor.** We will provide You all notices (including any required opt-out notice) reflecting Our privacy policies and practices as required by state and/or federal law (including HIPAA and the Gramm-Leach-Bliley Act).
4. **Additional Sponsor Responsibilities.** From time to time, We may ask You to interpret Your Plan and provide Us with written direction on (i) the proper interpretation of the Plan's terms or any expense reimbursement provision and (ii) payment of benefits. You may be legally required to perform certain testing to determine compliance with nondiscrimination rules under the Code; We will provide worksheets for this purpose. We ask that You notify Us when a valid change event has occurred that would entitle a Participant to special enrollment rights or mid-year election changes. We ask that You provide Us with the information We request that is necessary to perform Our functions under this Exhibit, including information concerning the Plan and the eligibility of individuals to participate in and receive Plan benefits. You agree that We may rely on the information You provide. We recommend that You keep copies of all source documents of information that You provide Us, as we will not be considered the keeper of your official business records.
5. **Business Associate Agreement.** We may be considered a "business associate" under the Health Insurance Portability and Accountability Act of 1996, as amended, with regard to one or more employee benefits or arrangements offered as part of the Plan. To that extent, the BAA will apply to such services.
6. **Term; Termination.** This Exhibit shall remain in effect for one Plan Year following the effective date of the Master Agreement. At the end of the first Plan year, this Exhibit will continue in full force and effect until terminated. This Exhibit may be terminated in the manner required by the Master Agreement; this Exhibit will automatically terminate upon termination of the Plan if You certify to Us that no further benefits are to be paid to Participants.

**APPLICATION FOR
HEALTHCARE FLEXIBLE SPENDING ACCOUNT RISK COVERAGE**

Employer hereby makes application for Healthcare FSA Risk Medical Expense Reimbursement coverage (also referred to as Medical Expense Reimbursement coverage) as issued by American Fidelity Assurance Company ("American Fidelity"). Employer has subscribed to a trust for the purpose of obtaining coverage.

The effective date of coverage shall be the first date of the Healthcare FSA Plan Year for which coverage is elected as indicated in Employer's Section 125 Plan document.

The maximum plan year reimbursement per participant will be the amount indicated in the plan document in Section F. 7. In no event can the maximum exceed the amount adjusted for inflation in accordance with the law.

Annual Premium: In Kind and Administrative Services provided to Company by Employer. These services include making employment information, payroll information, employees, and space available to Company to facilitate enrollments.

Employer is acquainted with the eligibility rules and understands that no coverage is in force until this application has been approved by American Fidelity.

BROWNING PUBLIC SCHOOLS

Signature: _____

Name: _____

Title: _____

EXHIBIT FOR HEALTHCARE FSA ADMINISTRATIVE SERVICES

This Exhibit For Healthcare Flexible Spending Account (FSA) Administrative Services is by and between American Fidelity Assurance Company ("American Fidelity", "We" or "Our") and the employer ("Employer" or "You") executing the Master Employer Services Agreement to which this Exhibit is attached (the "Agreement"). This Exhibit is subject to the general terms of the Agreement; the Exhibit For Section 125 Administrative Services ("Section 125 Exhibit") describes Our services that apply to multiple Plan accounts, with FSA-specific services and provisions addressed below. All capitalized terms that are not separately defined in this document will have the meanings described in the Section 125 Exhibit or the Agreement.

You have elected to offer Your eligible employees Healthcare Flexible Spending Accounts ("FSAs") and have requested that American Fidelity serve as the recordkeeper.

1. We will provide services in connection with offering FSAs to Your benefit-eligible employees. To the extent You provide support for the FSAs, You agree to do so in compliance with the terms of Your Plan and applicable federal and state laws, rules and regulations.
2. Eligible employees may elect to enroll in a FSA during the enrollment process. We will establish a recordkeeping account for each Participant and maintain a record of each account on an on-going basis.
3. We will administer and recordkeep the FSAs as provided in the Section 125 Exhibit.
4. If You have elected in the Plan document to provide a grace period following the end of the Plan year during which claims incurred in the current taxable year may be paid from prior Plan year contributions, We will treat any claim for expenses incurred during such grace period as a claim for reimbursement from current taxable year contributions unless You or Participant provides written notice to Us at the time of such claim that the claim is for the preceding taxable year.
5. If You have elected in the Plan document to permit Participants to roll over a portion of unused funds from the prior taxable year to the current taxable year, We will account for these rolled over funds, shall increase Participants' total eligible FSA balance for reimbursement of claims incurred in the current taxable year by the amount of the unused funds rolled over, and shall reimburse claims incurred in the current taxable year from these prior year contributions as applicable.
6. If You apply for the Policy, Participants may not make election changes except in the case of termination of Participant's employment, unless We agree with You in a written amendment.
7. In the event of termination of this Exhibit: If You signed up for the Policy, any and all amounts held in the Account will be returned to You in accordance with the terms of the Policy, and You will then be solely responsible for the performance of the duties otherwise required to be performed by Us under this Exhibit or under the Plan. If We insure the uniform coverage risk, the Policy will also terminate and all risk will revert back to You. (This would include instances where You consolidate with another entity during the Plan year and do not allow the FSAs to run the full length of the Plan year.) If You terminate Our services, or if You terminate either the Section 125 Plan or the FSAs, We will honor the runoff period only if You promptly provide funds to pay any outstanding claims