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EARLY RETIREE REIMBURSEMENT PROGRAM AGREEMENT

This Early Retiree Reimbursement Program Agreement (hereinafter "Agreement") is by and between CIGNA Health and Life Insurance Company ("Connecticut General") and City of Long Beach (COLB) ("Sponsor"), and is effective as of April 18, 2011 ("Effective Date").

WHEREAS, Connecticut General administers or insures claims for Health Benefits (defined herein) to Early Retirees (defined herein) in accordance with the terms of Sponsor's Employment-Based Plan (defined herein) (the "Plan");

WHEREAS, Connecticut General and Sponsor have entered into an administrative services only agreement ("ASO Agreement") or insurance contract ("Insurance Policy") with respect to the Plan; and

WHEREAS, Sponsor and Connecticut General desire that Connecticut General perform certain services described herein on Sponsor's behalf to facilitate Sponsor's receipt of reimbursements under the Early Retiree Insurance Program (the "Program"), which was established by Section 1102 of the Patient Protection and Affordable Care Act (the "Act") and administered by the U.S. Department of Health and Human Services ("HHS").

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, it is hereby agreed as follows:

1. Definitions. The following terms shall have the definitions set forth in 45 CFR §149.2: Certified; Chronic and High-Cost Condition; Early Retiree; Employment-Based Plan; Health Benefits; Plan Participant.

2. Term. This Agreement is effective as of the Effective Date and shall continue in effect for so long as the parties' ASO Agreement or Insurance Policy, as the case may be, remains in effect unless this Agreement is terminated earlier as set forth in Section 3 below.

3. Termination. This Agreement will terminate upon the earlier of any of the following events:

- a) the date the Plan terminates;
- b) the date on which federal funds are no longer available to enable the Program to provide reimbursements;
- c) at any time, on thirty (30) days' prior written notice by one party to the other; or
- d) any other date mutually agreeable to the Sponsor and Connecticut General.

The parties' respective rights and obligations will terminate upon termination of this Agreement, except for those which expressly survive termination as set forth herein.

4. Services. Connecticut General will provide the services described in Exhibit A to this Agreement in return for the compensation set forth in Exhibit A and other good and valuable consideration.

5. Sponsor's Representations and Warranties. Sponsor represents and warrants all of the following:

- a) Sponsor has a written agreement with Connecticut General regarding disclosure of information, data, documents, and records, to HHS.
- b) Sponsor acknowledges that any information it submits to HHS to participate in the Program and request reimbursement from the Program will be for the purpose of obtaining Federal funds.
- c) Sponsor will use all reimbursements it receives under the Program to reduce premium contributions, co-payments, deductibles or other out-of-pocket costs for Plan Participants (defined herein) and/or to reduce Health Benefit or Health Benefit premium costs for Sponsor.
- d) Any and all information that Sponsor provides Connecticut General for Connecticut General to submit to HHS on Sponsor's behalf, or on which Connecticut General bases a submission to HHS on Sponsor's behalf, is and shall be true, accurate and complete.
- e) In connection with Sponsor's participation in the Program, Sponsor is and will remain (and will ensure that the Plan is and will remain) in compliance with all applicable obligations under Section 1102 of the Act, the regulations thereto (45 CFR §149.1, et seq.), and all applicable guidance and sub-regulatory guidance promulgated by HHS in connection with the administration of the Program.

6. Limitation of Liability; Indemnification.

- a) Connecticut General's total aggregate liability to Sponsor for any and all losses, damages (including any disapproval by HHS in whole or in part of any request for reimbursement to Sponsor under the Program or Sponsor's application to participate in the Program), and expenses (including attorneys' fees and costs) from any claim, however alleged or arising, in connection with any service performed by Connecticut General hereunder shall not exceed the total compensation paid by Sponsor to Connecticut General under this Agreement as of the date of the performance of such service.
- b) Neither party hereto shall be liable to the other party, or to any entity controlled by or under common with the other party, for any consequential, indirect, or punitive damages, including loss of future revenue, income or profits, either in contract or tort, relating to the party's breach or alleged breach hereof, whether or not the possibility of such damages has been disclosed to the other party in advance or could have been reasonably foreseen by the other party.
- c) Sponsor will indemnify and hold harmless Connecticut General, its directors, officers, agents and employees, and each of Connecticut General's subsidiaries and affiliates, and their respective directors, officers, agents and employees

(collectively, "Indemnitees") for any and all claims any of the Indemnitees may incur arising out of or in connection with any breach of Sponsor's obligations, representations or warranties under this Agreement, or any act or omission by Sponsor or by a third party on Sponsor's behalf arising out of or in connection with Sponsor's participation in the Program.

7. Entire Agreement, Modification of Agreement. This Agreement constitutes the entire contract between the parties relative to the subject matter hereof and no modification or amendment hereto shall be valid unless in writing and signed by an officer of each of the parties.

8. Laws Governing Contract. This Agreement shall be governed by and construed in accordance with the laws of the State of California to the extent they are not preempted by Employee Retirement Income Security Act (ERISA) or the Patient Protection and Affordable Care Act and regulations, guidance, and sub-regulatory guidance promulgated thereto.

9. Third Party Beneficiaries. The Agreement is for the benefit of Sponsor and Connecticut General and not for any other person. It shall not create any legal relationship between Connecticut General and any retiree, dependent or any other party claiming any right, whether legal or equitable, under the terms of the Agreement or of the Plan.

10. Waivers. No course of dealing or failure of either party to strictly enforce any term, right or condition of this Agreement shall be construed as a general waiver or relinquishment of such term, right or condition. Waiver by either party of any default shall not be deemed a waiver of any other default.

11. Headings. Article, section, or paragraph headings contained in the Agreement are for reference purposes only and shall not affect the meaning or interpretation of the Agreement.

12. Severability. If any provision or any part of a provision of the Agreement is held invalid or unenforceable, such invalidity or unenforceability shall not invalidate or render unenforceable any other portion of the Agreement.

13. Survival. The following sections shall survive the termination of this Agreement: Sections 1, 6, 7, 8, 9, 10, 12, and 16.

14. Force Majeure. Connecticut General shall not be liable for any failure to meet any of the obligations or provide any of the services and/or benefits specified or required under the Agreement where such failure to perform is due to any contingency beyond the reasonable control of Connecticut General, its employees, officers, or directors. Such contingencies include, but are not limited to, acts or omissions of any person or entity not employed or reasonably controlled by Connecticut General, its employees, officers, or directors, acts of God, fires, wars, accidents, labor disputes or shortages, and governmental laws, ordinances, rules or regulations, whether valid or invalid.

15. Agreement Controlling. The parties understand and agree that this Agreement will be the controlling document between the parties regarding the subject matter hereof.

16. Notices. Written notice required by the Agreement shall be addressed as follows:

(a) To Connecticut General:

Attn: Kristi Davin
Title: Client Service Director
CIGNA HealthCare, Routing: B4SRS
900 Cottage Grove Road
Hartford, CT 06152

(b) To Sponsor:

Attn: Deborah (Debbie) Mills
Title: Director of Human Resources
City of Long Beach - Human Resources
333 W Ocean Blvd, 13th Floor
Long Beach, CA 90802

17. Assignment. No assignment of rights or interests hereunder shall be binding unless approved in writing by an officer of each of the parties hereto, except that either party may transfer all of its rights and interests hereunder to a subsidiary or an affiliate under common control with such party.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed in duplicate and signed by their respective officers duly authorized to do so.

CITY OF LONG BEACH

By (Signed): [Signature] **Assistant City Manager**
EXECUTED PURSUANT TO SECTION 301 OF THE CITY CHARTER.

Name (Printed or typed): _____

Its: _____, Duly Authorized

Date: 8.9.11

APPROVED AS TO FORM

8-4, 2011
ROBERT E. SHANNON, City Attorney

By [Signature]
AMY R. BURTON
DEPUTY CITY ATTORNEY

CONNECTICUT GENERAL LIFE INSURANCE COMPANY

By (Signed): [Signature]

Name (Printed or typed): Christopher De Rosa

Its: Regional Vice President, Duly Authorized

Date: June 6, 2011

CONNECTICUT GENERAL LIFE INSURANCE COMPANY

By (Signed): [Signature]

Name (Printed or typed): Eugene J Rapisardi

Its: Senior Vice President, Duly Authorized

Date: June 6, 2011

EXHIBIT A

SERVICES AND COMPENSATION

Connecticut General will provide the following services to Sponsor:

1. Documentation of Connecticut General's fraud, waste and abuse policies and procedures applicable to the Plan, and helping Sponsor gather such documentation and related data in the event of an audit or other request by HHS or Office of the Inspector General to substantiate such policies and procedures and their effectiveness.
2. Retention of claim records in Connecticut General's possession related to Sponsor's participation in the Program for at least six years after expiration of the then-applicable Plan year.
3. Monthly reporting of claim data on the Plan's Early Retirees either:
 - a) To HHS in the HHS-required format; or
 - b) To Sponsor in the HHS-required format or Connecticut General's standard paid-claims file format.