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|  | **Participating Employer****Voluntary Waiver of COBRA Services** | Associated Management Services |

This agreement is between Associated Industries of the Inland Northwest (AIIN), its subsidiaries, including but not limited to Associated Industries Management Services (AIMS) (hereinafter, AIMS) as Sponsor and Administrator of **Trust**, and  (company name), (hereinafter, “**The Company**”) an Employer-participant in the Trust which provides large group health plan benefits. **AIMS** provides notification and administration services related to the Consolidated Omnibus Budget Reconciliation Act of 1986 (COBRA) on behalf of the employer participants in the Trust, however, The Company desires to obtain its own COBRA administrator. By this agreement, **The Company** knowingly and voluntarily declines these services effective\_\_\_\_\_\_\_\_\_\_\_\_ and certifies that it has obtained a qualified third-party provider for COBRA services in lieu of AIMS, and accepts the following terms and conditions:

**1. COBRA Obligations:** In summary, COBRA and applicable federal regulations require that continuation coverage for group health plan benefits must be offered by employers of twenty (20) or more workers to covered employees, their spouses, their former spouses, and their dependent children when group health coverage would otherwise be lost due to specific qualifying events. Participants in the industry-specific Association Health Plan are considered an “employer” for ERISA purposes and the trust is then subject to COBRA regulations., Regardless of the size of the participating employer, all employee participants are COBRA eligible and must be offered COBRA.

 For any qualifying event, a qualified beneficiary must be provided an election notice, within the defined notification period. If elected by the beneficiary, continuation of coverage will be in place until cancelled or the COBRA period expires. *In order to be considered for waiver of COBRA Services, The Company must contract with a third-party administrator which has been approved by AIMS.*

**2. Waiver of COBRA Services/Indemnification:** Having been informed the Trust is required to provide notification and administration for continuation coverage pursuant to COBRA, **The Company** knowingly and voluntarily accepts all responsibility of administration and declines COBRA services as provided by **AIMS** as of the effective date included herein.

Subject to applicable law, **The Company** expressly agrees to indemnify and, upon request, defend AIIN/AIMS, and the employer’s industry trust and their directors, officers, employees, and agents, from and against all third party or government entity claims, demands, suits, losses, expenses (including court costs and reasonable attorneys’ fees), and damages, brought against or incurred by either Party resulting from, arising out of, or in any way connected with any act, omission, fault, or negligence of **The Company** or its employees, agents, suppliers and subcontractors of any tier in the performance or nonperformance of obligations under this Agreement.

By doing so, **The Company** understands it takes full responsibility for all notification and administration obligations pursuant to federal COBRA regulations, including administration of notices and benefits for those having elected continuation benefits prior to the effective date of this waiver.

Further, **The Company** takes on all liabilities and penalties associated with any violation of the notice and administrative obligations set forth by COBRA which may arise from a government investigation or complaint.

**3. Right to Audit/Duty to Cooperate:** The Company also hereby consents to cooperate and provide appropriate documentation whenever requested by AIMS or the industry-specific trust to verify compliance with the law and this agreement.

**4.** **Insurance:** The Company shall secure, and, for the duration of this Agreement and three years after the conclusion of this agreement, continuously carry with insurance carriers licensed to conduct business in the State of Washington, the minimum level of insurance coverage identified below. Such carriers must have an A.M. Best rating of A-, Class VIII or better.

4.1 Commercial General Liability: insurance coverage on an occurrence basis with a minimum single limit of $2,000,000. The coverage must include: (i) Bodily Injury and Property Damage Liability, (ii) Contractual Liability specifically related to the indemnity provisions of this Agreement, and (iii) Products and Completed Operations Liability to extend for a minimum of three years past acceptance or termination of the Services.

4.2 Professional Liability (Errors and Omissions): insurance coverage in a form acceptable to AIMS with a minimum single limit of $1,000,000 to cover claims arising out The Company’s COBRA services under this Agreement. This policy, or a comparable policy, must be maintained for three years after AEL&P’s acceptance of Consultant’s Services.

4.3 Other Insurance Requirements: The insurance coverages set forth above may be met by a combination of the dollar limit of the specified insurance type and an excess or umbrella insurance policy, provided that the excess or umbrella policy includes coverage for the specified insurance types to achieve the appropriate minimum coverages. The Company shall notify AIMS within 30 days of any cancellation or change in limits of liability of any required insurance policy. Noncompliance with the insurance requirements of this Agreement may, at AIMS’s option, be deemed a material breach of this Agreement. The Company shall require all subcontractors performing COBRA services under this Agreement to secure and, for the duration of this Agreement, to continuously carry insurance policies equivalent to the levels set forth above.

**5. COBRA Administrator Contact Information:** All communications, enrollment updates, eligibility changes and premium payment must be directed to **AIMS** only. Change requests or payments made directly to the carriers may delay enrollment and cause disruption in COBRA beneficiaries’ coverage.

Please provide the following information on the company’s third-party COBRA administrator.

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| COBRA Administrator Contact Information |
| Company Name:      | Company Phone:(   )     -      | Company Fax:(   )     -      | Web Address:      |
| Address: City State Zip                     |
| Contact Name:      | Contact Phone:(   )     -      | Contact Fax:(   )     -      | Email Address:      |

Dated this the        day of\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 2\_\_\_\_.

        **Associated Industries Management**

**Company Name Services**

Name Date James DeWalt Date

Title:       President and CEO