

AGENT FEE PROCESSING AGREEMENT

This agent fee processing agreement ("Agreement") is effective January 1, 2023, and is made among Blue Cross Blue Shield of Michigan, a Michigan non-profit corporation with offices at 600 Lafayette East, Detroit, Michigan 48226 ("BCBSM"), City of Ann Arbor with offices at 301 E. Huron St, Ann Arbor, MI 48104 ("Group") and Marsh & McLennan Agency LLC (MMA-MI) company, with offices at 755 West Big Beaver Road, Suite 2300, Troy, MI 48084 ("Agent").

Whereas, Group and Agent have negotiated an agent fee ("Agent Fee") that Group will pay Agent;

Whereas, BCBSM is willing to assist Group with the payment process of the Agent Fee;

Now therefore, in consideration of the mutual promises set forth below, the parties agree as follows:

1. Group and Agent have negotiated and agreed to the following Agent Fee for the period beginning January 1, 2023 until terminated by any party as set forth below:
 - a. \$ 6,254.00 per month; or
 - b. \$ __N/A__ per contract per month (only for non-quarterly settled Groups)Group agrees that the Agent Fee will be increased by 0% percent each year thereafter.
2. Group and Agent acknowledge and agree that such Agent Fee is reasonable compensation for Agent's services.
3. In addition to the services that BCBSM performs pursuant to an administrative services contract ("ASC") with Group, BCBSM is willing to assist Group with the payment process for the Agent Fee.
4. BCBSM will add the Agent Fee to Group's ASC invoice as follows:
 - a. If Group's ASC is a weekly or monthly invoice program, the Agent Fee will be added to the invoice that contains the ASC administrative fee;
 - b. If Group's ASC is a quarterly settled weekly or quarterly settled monthly invoice program, each month the Agent Fee will be set forth on BCBSM's eBookshelf or eBilling website (Note: Group's Quarterly Payment Schedule will not reflect the Agent Fee, however, the Group's quarterly reconciliation will include a separate line item for the Agent Fee payments that were made in the previous quarter);
 - c. If Group's ASC is an advance deposit program or monthly cap program, each month the Agent Fee will be set forth on BCBSM's eBookshelf or eBilling website;
5. Group will pay BCBSM the Agent Fee in addition to Group's required ASC payments and on the same schedule, terms and conditions as set forth in the ASC.
6. BCBSM will process all Agent Fee payments on a pass-through basis and BCBSM will only pay the Agent if BCBSM receives such amount from Group. The Agent Fee will be reported on the 5500 and BCBSM will issue IRS 1099s to the Agent.
7. Group may change the Agent and/or Agent Fee by completing and giving BCBSM a new, fully executed Agent Fee Agreement 30 days prior to the 1st of the month in which the new Agent and/or Agent Fee will be payable.
8. Group and Agent acknowledge that BCBSM's process does not allow for any retro-changes to the Agent or Agent Fee.
9. This Agreement may be terminated by any party by giving the other parties 30 days prior written notice.
10. The terms and conditions of this Agreement shall be confidential and shall not be disclosed or released to any third party without the prior written consent of all parties.
11. General Terms.
 - a. Waiver. The failure of any party at any time to require performance of any provision of this Agreement shall not affect in any way that party's full right to require such performance at any time thereafter.

- b. Compliance with Laws. Agent shall comply with all state and federal laws and regulations applicable to Agent's representation of BCBSM. Agent shall also comply with all rules and instructions issued by BCBSM, including but not limited to underwriting rules, regarding the marketing, sale and servicing of any Products offered through BCBSM
- c. Severability. If any provision of this Agreement is invalid, illegal, or unenforceable for any reason, that provision shall be severed from this Agreement and the other provisions shall remain in full force and effect.
- d. Merger Clause. This Agreement and the application to which it is attached and any addenda, schedules, rules or other agreements provided for in this Agreement or incorporated hereunder, shall be the entire agreement of the parties and supersedes all previous agreements whether oral or written, among BCBSM, Group, and Agent.
- e. Assignment. The Agent Fee shall not be assignable to any third party without the prior written consent of all parties.
- f. Law. This Agreement is entered into in the State of Michigan and shall be construed according to the laws of Michigan.
- g. Amendment. This Agreement may be amended only by a written amendment duly executed by authorized representatives of each party.
- h. Warranties. BCBSM MAKES NO EXPRESS OR IMPLIED WARRANTIES WITH RESPECT TO ANY OF ITS SERVICES OR DELIVERABLES UNDER THIS AGREEMENT, INCLUDING BUT NOT LIMITED TO, ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR IT'S PERFORMANCE.
- i. Indemnification. Group and Agent shall indemnify, defend, and hold BCBSM harmless from and against any and all claims, actions, loss, damage, liability, cost or expense resulting from Group or Agent's acts or omission with respect to this Agreement, unless caused by BCBSM's gross or willful misconduct. In addition, BCBSM shall not be liable for any indirect, incidental, reliance, special, consequential or punitive damages (including lost revenue, lost profit, or loss of business opportunity) of any Party, including third parties, whether or not such damages are foreseen or unforeseen.

Group

Agent- Rebecca McLaughlan

Please See Next Page

Signature

DocuSigned by:

 Signature

Print Name and Title

Rebecca A. McLaughlan President & CEO, Michigan Employee Health & B
 Print Name and Title

Date: _____

Date: 1/4/2023 | 14:02 CST

Blue Cross Blue Shield of Michigan

Signature

Print Name and Title

Date: _____

**Agent Fee Processing Agreement
Effective January 01, 2023**

FOR THE CITY OF ANN ARBOR

By _____
Christopher Taylor, Mayor

By _____
Jacqueline Beaudry, City Clerk

Approved as to substance:

By _____
Milton Dohoney Jr., City Administrator

Approved as to form and content

By _____
Atleen Kaur, City Attorney