ADDENDUM
TO
AGENDA

CITY COUNCIL MEETING

MONDAY, JUNE 19, 2017

7:00 p.m.
City Council Chambers, City Hall - 45 Lyon Terrace
Bridgeport, Connecticut

ADDED:

92-16 Public Hearing re: Proposed Amendments to the Municipal Code of Ordinances, Title 10 – Vehicles and Traffic including but not limited to Chapters 10.12 and 10.16.

Council President Appointment of Special Committee for Community Development Block Grant Program (CDBG).

ITEM FOR IMMEDIATE CONSIDERATION:

92-16 Communication from City Attorney re: Proposed Amendments to the Municipal Code of Ordinances, Title 10 – Vehicles and Traffic including but not limited to Chapters 10.12 and 10.16, referred **FOR IMMEDIATE CONSIDERATION**.

COMMUNICATION TO BE REFERRED TO COMMITTEES:

93-16 Communication from Housing and Community Development re: Program Year 43 Annual Action Plan: Community Development Block Grant Program (CDBG), Homeless Emergency Solutions Grant Program (HESG), HOME Investment Partnership Program, Housing Opportunities for Persons with AIDS Program (HOPWA), referred to Special Committee on CDBG Program.

AGENDA

CITY COUNCIL MEETING

MONDAY, JUNE 19, 2017

7:00 P.M.
CITY COUNCIL CHAMBERS, CITY HALL – 45 LYON TERRACE
BRIDGEPORT, CONNECTICUT

Prayer

Pledge of Allegiance

Roll Call

MINUTES FOR APPROVAL:

Approval of City Council Minutes: May 15, 2017 and May 25, 2017 (Special Meeting)

COMMUNICATIONS TO BE REFERRED TO COMMITTEES:

87-16 Communication from City Attorney re: Proposed Settlement of Pending Litigation with Aixa G. Acevedo, et al, referred to Miscellaneous Matters Committee.

88-16 Communication from OPED re: Proposed Memorandum of Understanding (MOU) with Exact Capital Group, LLC regarding the Redevelopment of the Poli-Majestic Theatres and the Savoy Hotel, referred to Contracts Committee.

89-16 Communication from Central Grants re: Grant Submission: State of Connecticut Office of Policy and Management for FY 2017 Responsible Growth and Transit-Oriented Development Program (Project #18331), referred to Economic and Community Development and Environment Committee.

RESOLUTIONS TO BE REFERRED TO BOARDS, COMMISSIONS, ETC.:

86-16 Resolution presented by Council Member Holloway re: Request that the installation of "No Through Traffic" signs be installed on Seaview Avenue and Central Avenue at the DeKalb Avenue, Deforest Avenue and Adam Street Intersections, referred to Board of Police Commission.

90-16 Resolution presented by Council Member(s) Banta and Taylor-Moye, Co-sponsor(s): Burns, Feliciano, Herron, Casco, Brantley, Holloway & Nieves re: Proposed resolution to terminate the contract with LAZ Parking LTD. LLC, referred to Contracts Committee.

91-16 Resolution presented by Council Member(s) Banta and Taylor-Moye, Co-sponsor(s): Burns, Feliciano, Herron, Casco, Brantley, Holloway & Nieves re: Proposed resolution for a 12-Month Moratorium on Parking Meter Collections and Enforcement, referred to Contracts Committee.

MATTERS TO BE ACTED UPON (CONSENT CALENDAR):

***72-16** Contracts Committee Report re: Pharmacy Benefit Management Agreement with Express Scripts, Inc. for the Term of October 1, 2016 through December 31, 2019.

***81-16** Contracts Committee Report re: Certificate of Insurance Agreement with The Hartford Life and Accident Insurance Company for Short Term and Long Term Disability Benefits for the Period of August 1, 2017 through July 31, 2019.

***84-16** Budget and Appropriations Committee Report re: Municipal Suspense Tax Book.

THE FOLLOWING NAMED PERSON HAS REQUESTED PERMISSION TO ADDRESS THE CITY COUNCIL ON MONDAY, JUNE 19, 2017 AT 6:30 P.M., IN THE CITY COUNCIL CHAMBERS, CITY HALL, 45 LYON TERRACE, BRIDGEPORT, CT.

NAME	SUBJECT
John Marshall Lee 30 Beacon Street Bridgeport, CT 06605	Bridgeport – Fiscal Issues.
Tony Barr 405 Taft Avenue Bridgeport, CT 06604	WPCA, tickets and guns.
Cecil C. Young 99 Carroll Avenue Bridgeport, CT 06607	Unjust termination.
Clyde Nicholson 54 Wallace Street Bridgeport, CT 06604	Jobs.
Kelvin Ayala 997 Main Street Bridgeport, CT 06604	Parking Meters.
Wanda Simmons 80 Sixth Street Bridgeport, CT 06607	Libraries.

CITY COUNCIL MEETING
PUBLIC SPEAKING
MONDAY, JUNE 19, 2017
6:30 PM
City Council Chambers, City Hall
45 Lyon Terrace
Bridgeport, CT

CALL TO ORDER

Council Majority Leader Eneida Martinez called the Public Speaking Session to order at 6:47 p.m.

RECEIVED
CITY CLERK'S OFFICE
2017 JUN 27 P 3:51
ATTEST
CITY CLERK

An informal attendance was taken:

130th District: Kathryn Bukovsky, Scott Burns
131st District: Jack O. Banta
132nd District: M. Evette Brantley
133rd District: Jeanette Herron
134th District: Michelle Lyons
135th District: Mary McBride-Lee, Richard Salter
136th District: José Casco, Alfredo Castillo
137th District: Aidee Nieves, Milta Feliciano
138th District: Anthony Paoletto, Nessah Smith
139th District: Eneida Martinez

Council Majority Leader Martinez announced that Council President McCarthy, Council Member Vizzo-Paniccia, and Council Member Holloway were at a conference in Cleveland; Council Member Olson had family obligations and Council Member Taylor-Moye had a medical emergency.

THE FOLLOWING NAMED PERSON HAS REQUESTED PERMISSION TO ADDRESS THE CITY COUNCIL ON MONDAY, JUNE 19, 2017 AT 6:30 P.M., IN THE CITY COUNCIL CHAMBERS, CITY HALL, 45 LYON TERRACE, BRIDGEPORT, CT.

NAME	SUBJECT
John Marshall Lee 30 Beacon Street Bridgeport, CT 06605	Bridgeport – Fiscal Issues.

Mr. Lee came forward and read the following statement into the record:

Tonight is the last regular City Council meeting of the fiscal year. As we await State final deliberations on revenue to Bridgeport as a City and to Bridgeport as a BOE, it might be

appropriate to review some other fiscal issues and problems of the year and to determine what you have done about them.

1.)When the last year closed on June 30, 2016 I fully expected that the Finance Department would deliver to the taxpayer an official 2015-16 final monthly report with all line items showing, both revenue and expense, subsequent to the external audit. The audit was complete by February, but this document was not published this year. Such a report is the only way the taxpaying public can see what actual results were: over spent, under spent or misprojected. I expect that you will let Finance know that you wish to see that same report for 2016-17 when the audit is complete in January 2018?

2.) What is your reaction to the revelation that the Print Shop is producing work for the public contrary to its Mission? Was this referred to a Council Committee for study? Has the Finance Director found where either the City Council or a former City administrator authorized this "private work" for a privileged few? I provided you with a chart showing purchase records for the Printing Plant for five consecutive years. The purchases indicated more than $800,000 of expenses, purchases, in that time more than the City reported. Is that irregular? Have you received an explanation? Which Committee is in charge of such an issue? By the way, why did you permit that department to increase their Salary and Fringe benefits by $105,000 for the 2017-18 FY with no increase in productivity or personnel?

3.) The Port Authority debt payoff of $900,000 with OPED funds in the last days of the Finch administration has never been addressed by the Mayor's Office. Wasn't that amount from bonds? Didn't such a transfer require your approval? Doesn't the public need an explanation? Even if you think that matters should just rest, how will this look to statewide voters when revealed in a run for statewide office in 2018? And what about a legal body like the Port Authority whose finances month in and month out are handled by City Finance, but they can produce no fiscal record since 2008? They are not even pursuing such an external audit? Their Board has been short two mayoral appointees for too long? Where is your oversight of City funds and property?

4.) Again and again Lighthouse has come to your attention this year and some of you to its defense. But where is the "special fund" that receives family fees of $850,000 per year? Where are those dollars spent? Do you get to see any report of it during your operating or capital budget review and votes? Did you never realize that Lighthouse was actually being subsidized by the Board of Education? When their own deep digging revealed the extent to which they were bearing an expense without compensation by the City, they asked you to be fair. A rental payment certainly is wise to include in a budget when you are not operating on your own property, isn't it?

5.) That brings us back to the issue of 21,000 youths in public schools getting your support. You may have thought you were providing them with $3 Million, but when OPM claws back payments for services without mutual agreement between the two parties, the City and BOE, the funds that came from your funding was less than $400K. Taxpayers of this City have supported the BOE with 2015-$60.8M, 2016-$63.3M, 2017-$63.7M and in for July 1, 2017 $63.7 M. Four years, less than 5% difference. But what have you done with the Police Department in that same time period? 2015 $87M, 2016 $100M, 2017- $102M, and for next year $105M. Almost 20% and growing? How do you defend the "serve and protect" increases for fewer than 500 employees while holding back local dollars for 21,000 youth?

- •An annual report with all line items post audit?
- • In Plant Printing exceeding authority and budgets?
- • Port Authority operation with taxpayer assets of harbor property and without any fiscal info for 9 years?
- • Lighthouse full revenue and expense reporting?
- • Police Department v. Education of youth – funding?

Do you trust my numbers? If not, please challenge me with your questions. Time will tell.

Tony Barr WPCA, tickets and guns.
405 Taft Avenue
Bridgeport, CT 06604

Mr. Barr came forward to address the Council. He said that there were residents in the City who were losing their homes to the WPCA and losing their sense of direction. Even though they may work hard, they get nothing in return. He said that it was wrong for grandparents to be losing their homes. There are the same old people doing the same old things and playing the same old games. He wanted to know what was being done for the kids. This Council is dysfunctional and there are people who love the City. He said that he was a black man and didn't want to be called African American. He asked if the Council thought this was fair as elected officials. People are losing their entire lives.

Cecil C. Young Unjust termination.
99 Carroll Avenue
Bridgeport, CT 06607

Mr. Young came forward to address the Council. He spoke about the Council and said that he was very sorry about the issue with Rev. McBride-Lee but said he was 67 years old and always sees things and say something about them. He then waved a packet of papers and said that they were the evidence that the City of Bridgeport had unjustly terminated him. He said that people were crying for help. Mr. Young then went on to give the details of the issue and said that those who have the positions of authority should help others. Everyone is equal under God. He said that he had family that needed to be supported. Council Majority Leader Martinez said that Mr. Young's time was up but Mr. Young ignored her statement and continued to talk about a family member who needed help just to get up out of bed.

Clyde Nicholson Jobs.
54 Wallace Street
Bridgeport, CT 06604

Mr. Clyde Nicholson yielded his time to Ms. Carmen Lopez, a resident and taxpayer of Bridgeport. She said that on Saturday the paper had published a notice of hearing about the parking fines. However, the Mayor went ahead and changed the parking fines before the hearing was held and before the Council could approve it. She waved a copy of the paper and said that the Mayor had then cancelled the hearing. Chapter 9 of the City Charter addresses this and all the Council Members should have a copy of the Charter. It needs to be published at least three days but this was published on Saturday and that is two days.

Ms. Lopez said that she was sorry that Council Member Taylor-Moye was not present because she and Council Member Banta had submitted the request on Wednesday. She also noted that the Mayor was not present at the meeting and that the City Attorney was handling the matter. She said that someone had messed up.

Ms. Lopez then went on to speak about Contracts Committee and how they were given very little time to review some contracts.

Kelvin Ayala Parking Meters.
997 Main Street
Bridgeport, CT 06604

Mr. Ayala came forward and said that there was no way he could follow up on Ms. Lopez's speech.

He said that he was here to speak about the parking meters. He said that the meters were a symbol of many of the problems that Bridgeport have. It talks about the morality of the City where the people who come downtown and end up with a large ticket without due process. As Bridgeporters and business owners, they are constantly chasing the ghost of what Bridgeport used to be. He asked some of the business owners to stand up and approximately 12 people did. These are the future of downtown, he said. If they leave, there is no downtown Bridgeport. Meters have been a problem for the business owners. He said that the business owners were survivors despite the difficulty of trying to do business in downtown Bridgeport. Putting in meters does not help a city that is not thriving. Parking is a key issue. He spoke about the Parking Authority and said that if the business community does not take action, they might as well pack up and go home because there will be nothing left.

Wanda Simmons Libraries.
80 Sixth Street
Bridgeport, CT 06607

Ms. Wanda Simmons came forward to speak about the libraries. She said that she was not sure if people knew that the hours have been cut. The children are out of school and the library is a necessity. She spoke about the staff members that had left and need to be replaced. She wanted to know what that Council would do about replacing the missing staff members.

ADJOURNMENT

Council Majority Leader Martinez adjourned the meeting at 7:21 p.m.

Respectfully submitted,

S. L. Soltes
Telesco Secretarial Services.

CITY OF BRIDGEPORT

CITY COUNCIL MEETING

MONDAY, JUNE 19, 2017

7:00 PM

City Council Chambers, City Hall - 45 Lyon Terrace

Bridgeport, Connecticut

CALL TO ORDER

Mayor Ganim called the meeting to order at 7:47 p.m.

PRAYER

Mayor Ganim requested Council Member McBride-Lee lead those present in prayer.

PLEDGE OF ALLEGIANCE

Mayor Ganim then requested Council Member Feliciano to lead those present in reciting the Pledge of Allegiance.

ROLL CALL

City Clerk Lydia Martinez called the roll.

The following members were present:

130th District: Kathryn Bukovsky, Scott Burns
131st District: Jack O. Banta
132nd District: M. Evette Brantley
133rd District: Jeanette Herron
134th District: Michelle Lyons
135th District: Mary McBride-Lee, Richard Salter
136th District: Alfredo Castillo, Jose Casco
137th District: Aidee Nieves, Milta Feliciano
138th District: Anthony Paoletto, Nessah Smith
139th District: Eneida Martinez

A quorum was present.

MINUTES FOR APPROVAL:

Approval of City Council Minutes: May 15, 2017 and May 25, 2017 (Special Meeting)

** COUNCIL MEMBER BURNS MOVED THE MINUTES OF THE MAY 15, 2017 REGULAR MEETING AND MAY 25, 2017 SPECIAL MEETING.
** COUNCIL MEMBER HERRON SECONDED.
** THE MOTION TO APPROVE THE MINUTES OF THE MAY 15, 2017 REGULAR MEETING AND MAY 25, 2017 SPECIAL MEETING AS SUBMITTED PASSED UNANIMOUSLY.

COMMUNICATIONS TO BE REFERRED TO COMMITTEES:

** COUNCIL MEMBER BRANTLEY MOVED TO COMBINE THE FOLLOWING COMMUNICATIONS TO BE REFERRED TO COMMITTEES ALONG WITH THE FOLLOWING RESOLUTIONS TO BE REFERRED TO BOARDS, COMMISSIONS:

COMMUNICATIONS TO BE REFERRED TO COMMITTEES:

87-16 COMMUNICATION FROM CITY ATTORNEY RE: PROPOSED SETTLEMENT OF PENDING LITIGATION WITH AIXA G. ACEVEDO, ET AL, REFERRED TO MISCELLANEOUS MATTERS COMMITTEE.

88-16 COMMUNICATION FROM OPED RE: PROPOSED MEMORANDUM OF UNDERSTANDING (MOU) WITH EXACT CAPITAL GROUP, LLC REGARDING THE REDEVELOPMENT OF THE POLI-MAJESTIC THEATRES AND THE SAVOY HOTEL, REFERRED TO CONTRACTS COMMITTEE.

89-16 COMMUNICATION FROM CENTRAL GRANTS RE: GRANT SUBMISSION: STATE OF CONNECTICUT OFFICE OF POLICY AND MANAGEMENT FOR FY 2017 RESPONSIBLE GROWTH AND TRANSIT-ORIENTED DEVELOPMENT PROGRAM (PROJECT #18331), REFERRED TO ECONOMIC AND COMMUNITY DEVELOPMENT AND ENVIRONMENT COMMITTEE.

RESOLUTIONS TO BE REFERRED TO BOARDS, COMMISSIONS, ETC.:

86-16 RESOLUTION PRESENTED BY COUNCIL MEMBER HOLLOWAY RE: REQUEST THAT THE INSTALLATION OF "NO THROUGH TRAFFIC" SIGNS BE INSTALLED ON SEAVIEW AVENUE AND CENTRAL AVENUE AT THE DEKALB AVENUE, DEFOREST AVENUE AND ADAM STREET INTERSECTIONS, REFERRED TO BOARD OF POLICE COMMISSION.

90-16 RESOLUTION PRESENTED BY COUNCIL MEMBER(S) BANTA AND TAYLOR-MOYE, CO-SPONSOR(S): BURNS, FELICIANO, HERRON, CASCO, BRANTLEY, HOLLOWAY & NIEVES RE: PROPOSED RESOLUTION TO TERMINATE THE CONTRACT WITH LAZ PARKING LTD. LLC, REFERRED TO CONTRACTS COMMITTEE.

91-16 RESOLUTION PRESENTED BY COUNCIL MEMBER(S) BANTA AND TAYLOR-MOYE, CO-SPONSOR(S): BURNS, FELICIANO, HERRON, CASCO,

BRANTLEY, HOLLOWAY & NIEVES RE: PROPOSED RESOLUTION FOR A 12-MONTH MORATORIUM ON PARKING METER COLLECTIONS AND ENFORCEMENT, REFERRED TO CONTRACTS COMMITTEE.

**** COUNCIL MEMBER PAOLETTO SECONDED.**

Council Member Lyons said that she wished to amend Agenda Item 90-16 Resolution presented by Council Member(s) Banta and Taylor-Moye, Co-sponsor(s): Burns, Feliciano, Herron, Casco, Brantley, Holloway & Nieves re: Proposed resolution to terminate the contract with LAZ Parking LTD. LLC, referred to Contracts Committee.; and Agenda Item 91-16 Resolution presented by Council Member(s) Banta and Taylor-Moye, Co-sponsor(s): Burns, Feliciano, Herron, Casco, Brantley, Holloway & Nieves re: Proposed resolution for a 12-Month Moratorium on Parking Meter Collections and Enforcement, referred to Contracts Committee by adding her name as a co-sponsor.

**** THE MOTION TO APPROVE THE FOLLOWING COMMUNICATIONS TO BE REFERRED TO COMMITTEES ALONG WITH THE FOLLOWING RESOLUTIONS TO BE REFERRED TO BOARDS, COMMISSIONS AS AMENDED:**

<u>COMMUNICATIONS TO BE REFERRED TO COMMITTEES</u>:

87-16 COMMUNICATION FROM CITY ATTORNEY RE: PROPOSED SETTLEMENT OF PENDING LITIGATION WITH AIXA G. ACEVEDO, ET AL, REFERRED TO MISCELLANEOUS MATTERS COMMITTEE.

88-16 COMMUNICATION FROM OPED RE: PROPOSED MEMORANDUM OF UNDERSTANDING (MOU) WITH EXACT CAPITAL GROUP, LLC REGARDING THE REDEVELOPMENT OF THE POLI-MAJESTIC THEATRES AND THE SAVOY HOTEL, REFERRED TO CONTRACTS COMMITTEE.

89-16 COMMUNICATION FROM CENTRAL GRANTS RE: GRANT SUBMISSION: STATE OF CONNECTICUT OFFICE OF POLICY AND MANAGEMENT FOR FY 2017 RESPONSIBLE GROWTH AND TRANSIT-ORIENTED DEVELOPMENT PROGRAM (PROJECT #18331), REFERRED TO ECONOMIC AND COMMUNITY DEVELOPMENT AND ENVIRONMENT COMMITTEE.

<u>RESOLUTIONS TO BE REFERRED TO BOARDS, COMMISSIONS, ETC.:</u>

86-16 RESOLUTION PRESENTED BY COUNCIL MEMBER HOLLOWAY RE: REQUEST THAT THE INSTALLATION OF "NO THROUGH TRAFFIC" SIGNS BE INSTALLED ON SEAVIEW AVENUE AND CENTRAL AVENUE AT THE DEKALB AVENUE, DEFOREST AVENUE AND ADAM STREET INTERSECTIONS, REFERRED TO BOARD OF POLICE COMMISSION.

90-16 RESOLUTION PRESENTED BY COUNCIL MEMBER(S) BANTA AND TAYLOR-MOYE, CO-SPONSOR(S): BURNS, LYONS, FELICIANO, HERRON,

CASCO, BRANTLEY, HOLLOWAY & NIEVES RE: PROPOSED RESOLUTION TO TERMINATE THE CONTRACT WITH LAZ PARKING LTD. LLC, REFERRED TO CONTRACTS COMMITTEE.

91-16 RESOLUTION PRESENTED BY COUNCIL MEMBER(S) BANTA AND TAYLOR-MOYE, CO-SPONSOR(S): BURNS, LYONS, FELICIANO, HERRON, CASCO, BRANTLEY, HOLLOWAY & NIEVES RE: PROPOSED RESOLUTION FOR A 12-MONTH MORATORIUM ON PARKING METER COLLECTIONS AND ENFORCEMENT, REFERRED TO CONTRACTS COMMITTEE.

PASSED UNANIMOUSLY.

MATTERS TO BE ACTED UPON (CONSENT CALENDAR):

Mayor Ganim asked if there was any Council Member who would like to remove an item from the Consent Calendar. Hearing none, Mayor Ganim requested that the City Clerk read the Consent Calendar into the record.

**** COUNCIL MEMBER PAOLETTO MOVED THE FOLLOWING ITEMS ON THE CONSENT CALENDAR:**

***72-16 CONTRACTS COMMITTEE REPORT RE: PHARMACY BENEFIT MANAGEMENT AGREEMENT WITH EXPRESS SCRIPTS, INC. FOR THE TERM OF OCTOBER 1, 2016 THROUGH DECEMBER 31, 2019.**

***81-16 CONTRACTS COMMITTEE REPORT RE: CERTIFICATE OF INSURANCE AGREEMENT WITH THE HARTFORD LIFE AND ACCIDENT INSURANCE COMPANY FOR SHORT TERM AND LONG TERM DISABILITY BENEFITS FOR THE PERIOD OF AUGUST 1, 2017 THROUGH JULY 31, 2019.**

***84-16 BUDGET AND APPROPRIATIONS COMMITTEE REPORT RE: MUNICIPAL SUSPENSE TAX BOOK.**

**** COUNCIL MEMBER BRANTLEY SECONDED.**
**** THE MOTION PASSED UNANIMOUSLY.**

Council President Appointment of Special Committee for Community Development Block Grant Program (CDBG).

Due to the absence of the Council President and the Council President Pro Tempore, Council Majority Leader Martinez read the Appointment of Special Committee for Community Development Block Grant Program (CDBG) into the record.

Milta Feliciano, Co-Chair; Mary McBride-Lee, Co-Chair
Aidee Nieves, Anthony Paoletto, Jack Banta, Jose Casco and Kathryn Bukovsky

**** COUNCIL MEMBER MARTINEZ MOVED TO APPROVE THE COUNCIL PRESIDENT APPOINTMENT OF SPECIAL COMMITTEE FOR COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM (CDBG).**
**** COUNCIL MEMBER PAOLETTO SECONDED.**

Council Member Brantley said for the record that she would be voting in favor of the measure, but added she would be speaking to the Council President regarding the fact that some of the Council Members did not qualify and she would like to know what changed from last year, when she did qualify.

**** THE MOTION TO APPROVE THE COUNCIL PRESIDENT APPOINTMENT OF SPECIAL COMMITTEE FOR COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM (CDBG) PASSED UNANIMOUSLY.**

ITEM FOR IMMEDIATE CONSIDERATION:

92-16 Communication from City Attorney re: Proposed Amendments to the Municipal Code of Ordinances, Title 10 – Vehicles and Traffic including but not limited to Chapters 10.12 and 10.16, referred FOR IMMEDIATE CONSIDERATION.

Council Member Feliciano said that based on a number of factors, she would like to refer this item back to the Ordinance Committee.

**** COUNCIL MEMBER FELICIANO MOVED TO AMEND AGENDA ITEM 92-16 COMMUNICATION FROM CITY ATTORNEY RE: PROPOSED AMENDMENTS TO THE MUNICIPAL CODE OF ORDINANCES, TITLE 10 – VEHICLES AND TRAFFIC INCLUDING BUT NOT LIMITED TO CHAPTERS 10.12 AND 10.16, REFERRED FOR IMMEDIATE CONSIDERATION.**

TO: 92-16 COMMUNICATION FROM CITY ATTORNEY RE: PROPOSED AMENDMENTS TO THE MUNICIPAL CODE OF ORDINANCES, TITLE 10 – VEHICLES AND TRAFFIC INCLUDING BUT NOT LIMITED TO CHAPTERS 10.12 AND 10.16, REFERRED TO THE ORDINANCE COMMITTEE.

**** COUNCIL MEMBER BRANTLEY SECONDED.**
**** THE MOTION PASSED UNANIMOUSLY.**

**** COUNCIL MEMBER PAOLETTO MOVED TO APPROVE AGENDA ITEM 92-16 AS AMENDED.**
**** COUNCIL MEMBER BRANTLEY SECONDED.**
**** THE MOTION PASSED UNANIMOUSLY.**

COMMUNICATION TO BE REFERRED TO COMMITTEES:

93-16 Communication from Housing and Community Development re: Program Year 43 Annual Action Plan: Community Development Block Grant Program (CDBG), Homeless Emergency Solutions Grant Program (HESG), HOME Investment Partnership Program,

Housing Opportunities for Persons with AIDS Program (HOPWA), referred to Special Committee on CDBG Program.

**** COUNCIL MEMBER PAOLETTO MOVED TO APPROVE AGENDA ITEM 93-16 COMMUNICATION FROM HOUSING AND COMMUNITY DEVELOPMENT RE: PROGRAM YEAR 43 ANNUAL ACTION PLAN: COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM (CDBG), HOMELESS EMERGENCY SOLUTIONS GRANT PROGRAM (HESG), HOME INVESTMENT PARTNERSHIP PROGRAM, HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS PROGRAM (HOPWA), REFERRED TO SPECIAL COMMITTEE ON CDBG PROGRAM.**
**** COUNCIL MEMBER BRANTLEY SECONDED.**
**** THE MOTION PASSED UNANIMOUSLY.**

92-16 Public Hearing re: Proposed Amendments to the Municipal Code of Ordinances, Title 10 – Vehicles and Traffic including but not limited to Chapters 10.12 and 10.16.

Mayor Ganim called the public hearing on Agenda Item 92-12 to order at 8:05 p.m.

Ms. Carmen Lopez came forward and said that as she understood that the Council had voted to refer this back to Committee. She said that she had spoken earlier and that she did not think that it was good to make an immediate consideration. She pointed out that a Charter decision requires three days.

She then referred to the fact that she had asked the Contract Committee a question and that she had never been given the information. Ms. Lopez went on point out several details of the contract that had been changed from the original draft in November to the current June 1st one. This is a very disrespectful to the Council and she encouraged the Council not to let the Mayor do this. She said that last year, the Council had been rushed through this because they only had 24 hours to consider it. She said that she would support an independent board.

Mr. George Cruz came forward and said that now the Council was realizing how the contract was hitting everyone in the wallet. He spoke about the details. He said that this was a disgrace to think they could change the City Charter so quickly. People can't find a place to park.

A business owner who also lives in downtown Bridgeport came forward and said that she moved to downtown Bridgeport because she loves the area. She added that she was pleased to be part of the DSS until this past month. There is not one sign that says what the parking rules are. There is nothing that says "No Standing" nor are there any hours posted. She said that she had gotten a ticket on 4:30 p.m. On a Saturday afternoon. It is driving the customers away. There should be a moratorium on the tickets so that the businesses can get their clients back. She said that people were starting to come to Bridgeport because of the tourism but if they get $40 tickets for being a minute or two late, they won't come anymore.

Another resident came forward and said that he had known someone who used to come to Bridgeport but the woman had pointed out that in Trumbull you can park and shop until you drop for free. He listed a number of other places where you can park without paying. The businesses are paying taxes and it is unfair to have residents charged property taxes, vehicle taxes and then

add another tax. The resident said that Mayor Ganim does not own Bridgeport and Bridgeport will be here long after Mayor Ganim is gone. Do unto others as they would have them done unto. He said that it was time to stand and say that this was enough and this was too much. He said that it was a criminal offense to charge some old lady who is simply trying park, find her glasses, and figure out what the meter says, because by the time she does that, her five minutes are up. Once she gets that ticket, she won't come back to Bridgeport.

Mr. John Marshall Lee said that he had moved his office to downtown Bridgeport and got his first ticket on February 28th. He said that he looks at the numbers differently than the Council Members. He then reviewed the figures about the meters and the meter violations. He said that he had not seen the contract and it would be important to find out what was happening. This has caused the City more money along with agitation and suggested that perhaps it would be good to allow the public to comment. that would show respect for the tax payer. He said that he was unhappy that they passed this without due consideration.

Ms. Callie Heilmann came forward and said that she was a Bridgeport resident, a teacher and a business owner. Ms. Heilmann said that she had founded Bridgeport Generation Now! in 2016 and also founded Hartford Prints! an urban goods store and letterpress studio located in Hartford.

She asked how it was that in 2013 Bridgeport had parking meters that only took quarters. The City paid for some parking studies that cost a lot of money. There was one done in 2011 and another one done in 2014. Both studies recommended a Parking Authority and she wanted to know where the Parking Authority was.

The first question Ms. Heilmann had was why the Mayor was in such a rush to pass this legislation when the business owners have been talking about this for years. She added another question about whether the contract was properly executed. She went on to give several details about the issue.

Ms. Heilmann said that the residents knew that LAZ was receiving a percentage of the fines and so was another group. She wondered if this was an incentive for more tickets but those who were financially struggling, it is a hardship.

Mr. Tom Brown came forward and said that he had received $260 in tickets. He gave the details about the situation to the Council and said that this wasn't right.

A Fairfield Avenue property owner came forward and said that it was a problem and that as a building owner, he had lost tenants on the second and third floor. The fines have discouraged people from coming to downtown Bridgeport. Downtown needs to be a friendly area. They shouldn't be ticketed for not moving their cars when they should have. They should have affordable parking and without fear of paying a large fine, without fear of not being able to do what they need to do. He spoke about a recent parking experience when he parked and spent two hours shopping and the cost of the parking was $10.00. That's not a problem. He asked the Council to think of the clients and the businesses downtown that would bring Bridgeport back to where it was.

A resident named Hazel came forward aid that she had moved back to Bridgeport and felt that this whole thing was stupid. She said that she wanted to know what they were thinking. She said that they had waited for the Mayor and said that they were taking notes. Ms. Hazel said that instead of parking where there are meters, they would be parking where there are no meters. The businesses are owned by people who work hard but now she could see what was coming from comments on Facebook. "Don't go to Bridgeport. I went there, parked and ended up with a ticket. " That's 40 bucks gone. The Council needs to figure out what they are going to do. It is unfriendly and it is just total insanity.

Mr. Rob Mathews came forward and started to speak about the cost of the meters, but there was a great deal of audience cross talk. He then listed a number of figures about the numbers of parking violations that were issues. He said that there were 15 tickets out 100 but it had dropped to 7 out of 100. He said that 1% of the population was getting most of the tickets because they just don't care.

A resident named Gabriel came forward and said that he was a professor. He said that the Council Members don't use the meters because they can park underground for free. He said that he spent $3.00 just to park for 30 minutes because the meters were not registering his quarters. He said that he had seen meters zero down when cars move too close to them. This has hurt the businesses. He said that he has clients that have to come to see him and they should not have to pay to park or to pay for tickets. This destroys morale. He asked who was on the side of businesses. He said that he busted his tail to become a doctor and the technology was very flawed.

Ms. Gloria Brown said that if the Council Members don't straighten this out, they won't have a job in six months. She said that the City needs the tax revenue, but they are losing businesses. She said that she pays a lot of taxes. She said that she is handicapped and that the meters weren't working right. People do not have money to give away. She then said that they should not ask what the country should do for them, but what they could do for their country. She said that when she is told something, she believes it. She concluded by saying shame on the Council for letting this get out of hand.

Ms. Maria Pereira came forward and said that there was difficulty parking. She spoke about the downtown McDonald's and pointed out that parents with small children have a lot to unload. She said that people wanted an app or better technology. Ms. Peirera said that the people who were running this were doing it because of who they know. She named the person who was running the parking meters and pointed out that the meter installation cost half a million dollars. She added that the representative from the company who came to speak about their concerns was disrespectful to the resident. She then asked Ms. Lopez to run for Mayor because she was honest.

A representative from Laz Parking came forward to address some of the concerns. Most of his remarks were inaudible due to the audience cross talk.

Mr. Scott Fisher then came forward and said that he was a business owner. He said that he works hard. The DSS has worked hard to get rid of the drug dealers and to bring businesses in

but the parking meters are scaring customers away. He said that his t-shirt reads " welcome to Bridgeport, That will be 40 dollars."

Another young lady came forward and said that if the meters are full, you have to move your car or get a ticket. After living in the City for 32 years, she is tired of paying $90 to parking in a lot and has to run back and forth. Most people want to stay here but Bridgeport is pushing them away.

Mayor Ganim said that if there were particular meters not functioning they need to report it.

Another resident came forward and said that the parking meters were absurd. He said that he is now shopping on line because he doesn't want to take the chance that he would get a ticket. he said that they needed to empower themselves. He stated he is not pro-Bridgeport, but pro-people.

Mr. Kelvin Ayala came forward and said that the Council Member are listening to the residents and there was a blatant disconnect between the Mayor's Office and the residents. He said that he was offended by the Mayor's actions and the complete lack of respect for the residents and businesses. He said that they have been trying to get a Parking Authority for the City for many years. He said that when he spoke to Mr. Adams, he expressed his feelings. He said that when the ordinance changes were put in on Saturday for a change on Monday was wrong. He said that they had raised the fines from $35.00 to $40.00. They may have video and all this technology, but the people are avoiding coming to Bridgeport because of the fines. He said that he had tried to get the Council Members to do something with no success.

Another young man named Wilson came forward to express his concerns about the parking issues.

Mayor Ganim thanked everyone for coming out and said that he had been taking notes. He said that he had been downtown and gotten some feedback from the business owners also.

Mayor Ganim asked if there was anyone else who wished to address the Council at this time. No one came forward. He asked a second time. Hearing none, Mayor Gamin closed the public hearing on Agenda Item 92-16 at 9:17 p.m.

Council Member Lyons said that she would like to thank the Council for sending this item back to the Ordinance Committee.

Council Member Martinez announced that Council President McCarthy, Council Member Vizzo-Paniccia, and Council Member Holloway were at a conference in Cleveland; Council Member Olson had family obligations and Council Member Taylor-Moye had a medical emergency. She requested a moment of silence for Council Member Taylor-Moye.

Council Member Brantley thanked the staff and administration for coming to the public hearing and listening to the residents' concerns.

Council Member McBride-Lee thanked everyone who came out to present their concerns. She said that she would like to connect with those who had received parking tickets and discuss the matter.

Council Member Brantley requested that the audience remember the Jeter and McKnight families also during the moment of silence as they mourn the loss of Rakeem McKnight. She added that she had just received a text from Council Member Taylor-Moye, who remains in the hospital, awaiting test results.

Mayor Ganim and those present all stood to observe a moment of silence as requested.

ADJOURNMENT

**** COUNCIL MEMBER PAOLETTO MOVED TO ADJOURN.**
**** COUNCIL MEMBER BRANTLEY SECONDED.**
**** THE MOTION PASSED UNANIMOUSLY.**

The meeting adjourned at 9:30 p.m.

Respectfully submitted,

S. L. Soltes
Telesco Secretarial Services

CITY OF BRIDGEPORT
CITY COUNCIL
NOTICE OF PUBLIC HEARING

A Public Hearing will be held before the City Council of Bridgeport at a regular meeting to be held on Monday evening, June 19, 2017 beginning at 7:00 p.m., in the City Council Chambers, City Hall, 45 Lyon Terrace, Bridgeport, Connecticut, relative to:

1.) Proposed Amendments to the Municipal Code of Ordinances, Title 10 – Vehicles and Traffic including but not limited to Chapters 10.12 and 10.16. [92-16]

Attest:

Lydia N. Martinez
City Clerk

AD ENDS ABOVE LINE

Requires Certification
1 Edition - Connecticut Post
Run Date: Saturday, June 17, 2017
Emailed to: Legal Ad Dept. at publicnotices@ctpost.com
Account #: 111171
PO: 17000412-00
Dated: June 15, 2017
Sent By:
Lonnette Pettway
City Clerk's Office
45 Lyon Terrace
Bridgeport, CT 06604
(203) 576-7081
FAX # 332-5608

Ecopy: Mayor Joseph P. Ganim
City Council Members
T. Gaudett, Aide to the Mayor
E. Adams, Director, Governmental Accountability & Integrity
K. Staley, CAO
J. Gomes, Deputy CAO
D. Shamas, Chief of Staff
C. Bartlett-Josie, Deputy Chief of Staff
A. dePara, Special Projects Coordinator, CAO
R. Christopher Meyer, City Attorney
M. Anastasi, Associate City Attorney
R. Pacacha, Associate City Attorney
J. Ricci, Director, Public Facilities
P. Keogh, Parking Violations

CITY ATTORNEY
R. Christopher Meyer

DEPUTY CITY ATTORNEY
John P. Bohannon, Jr.

ASSOCIATE CITY ATTORNEYS
Mark T. Anastasi
Richard G. Kascak, Jr.
Bruce L. Levin
Russell D. Liskov
John R. Mitola
Lawrence A. Ouellette, Jr.
Ronald J. Pacacha
Lisa R. Trachtenburg
Tyisha S. Toms

CITY OF BRIDGEPORT
OFFICE OF THE CITY ATTORNEY

999 Broad Street
Bridgeport, CT 06604-4328

ASSISTANT CITY ATTORNEYS
Tamara J. Titre
Eroll V. Skyers

Telephone (203) 576-7647
Facsimile (203)576-8252

Comm. #87-16 Ref'd to Miscellaneous Matters Committee on 06/19/2017

ATTEST _____ CITY CLERK

RECEIVED
CITY CLERK'S OFFICE
2017 JUN 13 A 11:18

June 7, 2017

The Honorable City Council of the City of Bridgeport
45 Lyon Terrace
Bridgeport, CT 06604

Re: ***Proposed Settlement of Pending Litigation in the Matter of Aixa G. Acevedo, Administratrix of the Estate of Marisol Estrada, et al v. K Washington Street, LLC, et al, Docket No. FBT-CV-15-6052770-S***

Dear Councilpersons:

The Office of the City Attorney respectfully recommends the following pending lawsuit be settled as set forth below. It is our professional opinion that resolving this matter for the consideration agreed to between the parties is in the best interests of the City of Bridgeport.

Plaintiff	Nature of Claim	Plaintiff's Attorney	Consideration
Aixa G. Acevedo, et al	Wrongful Death	John T. Bochanis, Esq. Daly, Weihing & Bochanis 1776 North Avenue Bridgeport, CT 06606	$45,000.00

Kindly place this matter on the agenda for the City Council meeting on June 19, 2017 for referral to the Miscellaneous Matters Committee only. Thank you for your assistance in this matter.

Very truly yours,

R. Christopher Meyer
City Attorney

cc: Joseph P. Ganim, Mayor
Lydia Martinez, City Clerk
Amanda Keppler, Paralegal

City of Bridgeport
OFFICE OF PLANNING & ECONOMIC DEVELOPMENT
Margaret E. Morton Government Center
999 Broad Street, Bridgeport, Connecticut 06604

JOSEPH P. GANIM
Mayor

THOMAS GILL
Director

COMM. #88-16 Ref'd to Contracts Committee on 06/19/2017.

June 14, 2017

Lydia Martinez,
Bridgeport City Clerk
City of Bridgeport
Office of the City Clerk
45 Lyon Terrace
Bridgeport, CT 06604

RE: **Submission of Memorandum of Understanding with Exact Capital Group, LLC Regarding Redevelopment of the Poli-Majestic Theatres and the Savoy Hotel**

Dear Lydia:

Please accept the attached submission for the next City Council meeting for referral to committee.

Respectfully,

Thomas F. Gill, Director

Encl.

RECEIVED
CITY CLERK'S OFFICE
2017 JUN 14 P 1:19
ATTEST_____
CITY CLERK

MEMORANDUM OF UNDERSTANDING

Between

The City of Bridgeport ("**City**")

And

Exact Capital Group, LLC ("**Exact Capital**")

Regarding Real Property Known As:

Poli-Majestic Theatres and Savoy Hotel at 1335 Main Street

2-Acre Parcel on Main Street Across From Theatres

1 ½ Acre Vacant Parcels (2) on Water Street Across From Bus Station

(the "**Development Parcels**")

City Draft—June 14, 2017

MEMORANDUM OF UNDERSTANDING

AGREEMENT entered into as of the date last written below between the City of Bridgeport, a municipal body corporate and politic, having an address at 45 Lyon Terrace, Bridgeport, CT 06604 ("**City**") and Exact Capital Group, LLC, a limited liability company organized and existing under the laws of the State of _____, having an office and principal place of business at 477 Madison Avenue, 6th Floor, New York, NY 10022 ("**Exact Capital**).

WHEREAS, the City is in the process of creating transit-oriented development in its Downtown North area with the expectation of encouraging mixed-use development proximate to its transit hub and to other ongoing redevelopment projects nearby;

WHEREAS, the City published a Request For Expressions of Developer Interest in the Development Parcels in December 2016 and received several development proposals in February 2017;

WHEREAS, after reviewing development proposals and interviewing the developer candidates, the City selected Exact Capital as the preferred developer for the Development Parcels based upon the Developer's Response to Request for Expression of Development Interests for Majestic and Poli Theater Mixed Use Development Project Solicitation 1612-002" received February 2, 2017 ("**Proposal**") and the Developer's statements and representations made during the selection process; and

WHEREAS, the Parties are willing to enter into this Memorandum of Understanding and an Access Agreement on the terms and conditions set forth in the Proposal and herein and agree to proceed to negotiate in good faith and with diligence a comprehensive land disposition agreement in consultation with legal counsel.

NOW, THEREFORE, the parties mutually agree to proceed with discussions of a development project that will include the Developer's conceptual development plan and its implementation plan with the expectation of arriving at a mutually-acceptable development agreement:

1. **General Description of the Project**. The Developer proposes to create an iconic development that will revitalize and add mass to the downtown north development corridor that will complement and enhance other developments in the area. Developer proposes to preserve and incorporate into the Project the beautiful, historic Poli Palace Theatre and the Majestic Theatre as well as the former Savoy Hotel while at the same time adding new market rate and mixed income affordance housing units, desired retail uses complementing residential occupancy, parking features, a

community facility, and a visual and physical connection between the landmark theatres and the waterfront along the Pequonnock River.

The Project also includes new construction of two 18-story residential buildings, a 10-story residential building, and an 8-story residential building in close proximity to the theatre portion of the Project, each with ground floor supportive retail and off-street parking, most of which will be underground. All square footages of development, number of units, and the like are approximate and subject to adjustment during the design process.

2. **Development Phases**. The Developer proposes that the Project be organized in three (3) separate but interrelated phases (each a "Phase") generally shown in the Conceptual Development Plan and Implementation Plan contained in the Proposal attached hereto and made a part hereof as **Exhibit 1** (the "Development Plan"), each of which Phases will contain the respective objectives, components, features, amenities and opportunities described below:

(a) **Phase 1**. Phase 1 will consist of Building A shown on Site 1 of the Development Plan, which buildings depict the current locations of the former Poli Palace Theatre, the former Majestic Theatre and the former Savoy Hotel and Building B on Site 2 of the Development Plan. The Developer's specific improvements include:

Building A, Site 1, Former Majestic Theatre, Poli Palace Theatre and Savoy Hotel

- Renovating and reopening the former Majestic Theatre with 2,200 seats conducted by a renowned historic preservation architectural firm for use by local and regional performing art groups that, when complete, will be deeded back to the City of Bridgeport

- Rehabilitating three (3) first floor retail spaces (approx.. 4,500 sq. ft.) for goods and services complementary to the renovated Savoy Hotel

- Renovating and restoring the former Poli Palace Theatre entrance to its original historic condition that will serve as an entrance to the renovated Savoy Hotel

- Creating from a portion of the existing Poli Palace Theatre (approx. 7,000 sq. ft.) a gym or other healthy lifestyle venue to support and

promote healthy lifestyles and fitness activities in this revitalized community

- Creating from a portion of the former Poli Palace Theatre facing Congress Street (approx. 16,000 sq. ft.) a ballroom or entertainment venue for hosting banquets, conferences, weddings, graduations, gala's, parties, and the like that will compliment and support the renovated Savoy Hotel

- Utilizing the second floor and high ceiling spaces of the former Poli Palace Theatre for the creation of a family-friendly indoor recreation venue or an indoor fun park with its own separate entrance

- Rehabilitating the former Savoy Hotel to modern hotel standards and building code requirements together with the additional of two (2) additional floors on top of the existing structure to achieve a 200-room capacity hotel

Building B, Site 2, an 18-Story Residential Tower with Supportive Retail

- Constructing a new residential tower that will contain approx.. 254,516 sq. ft. of residential development consisting of 296 dwelling units ranging from studios to 3-bedroom apartments with private terraces

- Constructing approx. 14,356 sq. ft. of ground floor retail

- Utilizing the natural slope of the site to create views from the park to the Theatres with a pedestrian plaza to connect Main Street and Housatonic Avenue

- Creating residential parking from Housatonic Avenue located behind the retail spaces and below ground

(b) **Phase 2**. Phase 2 will consist of Building C and Building D shown on Site 2 of the Development Plan. The Developer's specific improvements include:

Building C, Site 2, an 18-story Residential Tower with Supportive Retail similar in all respects to Building B

- Constructing a second new residential tower that will contain approx. 197,824 sq. ft. of residential development consisting of 230 dwelling units ranging from 1 to 3-bedroom apartments with private terraces

- Constructing approx. 11,300 sq. ft. of ground floor retail

- Utilizing the natural slope of the site to create views from the park to the Theatres with a pedestrian plaza to connect Main Street and Housatonic Avenue

- Creating residential parking from Housatonic Avenue located behind the retail spaces and below ground

Building D, Site 3a, a 10-Story Residential Tower with Supportive Retail

- Constructing a new residential tower that will contain approx. 94,700 sq. ft. of residential development consisting of 110 dwelling units ranging from studios to 3-bedroom apartments

- Constructing approx. 12,000 sq. ft. of ground floor retail

- Creating residential parking underground

(c) **Phase 3.** Phase 3 will consist of the construction of an additional residential Building E on Site 3b.

- Constructing a new residential tower that will contain approx. 182,000 sq. ft. of residential development consisting of 208 dwelling units ranging from studios to 3-bedroom apartments

- Constructing approx. 22,000 sq. ft. of ground floor retail

- Creating residential parking underground

3. **Building Amenities; Green or Sustainable Elements.** The buildings in the Project will include many amenities:

- bicycle parking

- laundry room
- lounge area
- private indoor recreation area
- indoor health club
- outdoor recreation area
- outdoor grilling area

To reduce energy consumption and promote healthier living:

- Energy-Star® appliances
- High-efficiency natural gas boilers
- Wall and roof insulation exceeding code requirements
- Air-seal system
- Double-pane low "E" window systems
- Low albedo colored roofs to reduce heat
- Low-maintenance façade materials
- Low or no-VOC paints and adhesives
- LED energy-efficient light fixtures

4. **Project Development Schedule**. Each Phase of the Project will provide for the Developer's ability to pursue all design, permitting and financing during a 1-year period at the end of which the Developer will be required to elect to proceed with the development or decline to proceed. Once the Developer elects to proceed to acquire property in a particular Phase, the Developer will be required to achieve substantial completion of the construction in such Phase within two (2) years after transfer of title, subject to reasonable extensions of time based on permit delays, delays not caused by the Developer, and unforeseen conditions.

The City will require that the Developer be under construction for several months in a particular Phase in order to be able to close title on a subsequent Phase.

The Developer's pre-construction, design-development, permitting work and applications for financing will commence promptly after this MOU is approved and executed.

5. **Purchase Price**. The City requires that the Developer pay fair market value for each parcel in the Project to be determined by appraisal.

The Parties have entered into this Agreement on and as of _____, 2017.

EXACT CAPITAL GROUP, LLC

By: _____
Name:
Title:
Duly-authorized

CITY OF BRIDGEPORT

By: _____
Joseph P. Ganim
Mayor

Exhibit 1

Description of the Project Property

City of Bridgeport, Connecticut
CENTRAL GRANTS OFFICE
999 Broad Street
Bridgeport, Connecticut 06604
Telephone (203) 332-5662
Fax (203) 332-5657

JOSEPH P. GANIM
Mayor

ISOLINA DeJESUS
Administrative Manager
Central Grants

July 18, 2017

COMM. #89-16 Ref'd to ECD&E Committee
On 06/19/2017

Office of the City Clerk
City of Bridgeport
45 Lyon Terrace, Room 204
Bridgeport, Connecticut 06604

Re: Resolution – **State of Connecticut Office of Policy and Management – 2017 Responsible Growth and Transit-Oriented Development Program (#18331)**

Attached, please find a Grant Summary and Resolution for the **State of Connecticut Office of Policy and Management – 2017 Responsible Growth and Transit-Oriented Development Program (#18331)** to be referred to the **Committee on Economic and Community Development and Environment** of the City Council.

Grant: City of Bridgeport application to the **State of Connecticut Office of Policy and Management – 2017 Responsible Growth and Transit-Oriented Development Program (#18331)**

If you have any questions or require additional information, please contact me at 203-576-7134 or isolina.dejesus@bridgeportct.gov.

Thank you,

Isolina DeJesus
Central Grants Office

RECEIVED
CITY CLERK'S OFFICE
2017 JUN 14 P 4:17
ATTEST
CITY CLERK

GRANT SUMMARY

PROJECT TITLE: **State of Connecticut Office of Policy and Management – 2017 Responsible Growth and Transit-Oriented Development Program (#18331)**

NEW x RENEWAL CONTINUING

DEPARTMENT SUBMITTING INFORMATION: **Central Grants Office**

CONTACT NAME: **Isolina DeJesus**

PHONE NUMBER: **203-576-7134**

PROJECT SUMMARY/DESCRIPTION: The City of Bridgeport **Office of Planning and Economic Development** is seeking funds to support the John Street Corridor Improvements Project. This project is a collaboration between the City of Bridgeport, Downtown Special Services District, the Metropolitan Council of Governments and Bridgeport Economic Development Corporation. Funding from the State of Connecticut Office of Policy and Management will cover a comprehensive series of physical improvements to that area of John Street located between Main and Water Streets. These improvements include pedestrian amenities including wayfinding signage, safety options, green infrastructure, as well as a façade improvement program and capital improvements to aging sidewalk infrastructure.

The John Street corridor represents a key access connection between Bridgeport's intermodal assets along Water Street and the heart of Downtown Bridgeport's central business district. This project is imperative to the success of the Bridgeport's efforts to position Downtown Bridgeport as a walkable, transit-oriented neighborhood.

The City of Bridgeport will enter into a service agreement with MetrroCOG to administer the project and meet programmatic deliverables.

CONTRACT PERIOD: (TBD)

IF APPLICABLE

FUNDING SOURCES (include matching/in-kind funds):	
Federal:	$ 0
State:	$ 380,000
City:	$ 0
Other:	$ 0

GRANT FUNDED PROJECT FUNDS REQUESTED	
Salaries/Benefits:	$
Supplies:	$

Equipment:	$
Other:	$ 380,000

IN-KIND MATCH PROJECT FUNDS REQUESTED	
Salaries/Benefits:	$ 0
Supplies:	$ 0
Equipment:	$ 0
Other:	$ 0

A Resolution by the Bridgeport City Council

Regarding the

State of Connecticut Office of Policy and Management

2017 Responsible Growth and Transit-Oriented Development Program

WHEREAS, the **State of Connecticut Office of Policy and Management (OPM)** is authorized to extend financial assistance to municipalities in the form of grants; and

WHEREAS, this funding has been made possible through the **2017 Responsible Growth and Transit-Oriented Development Program**; and

WHEREAS, funds under this grant will be used to support the John Street Corridor Improvements Project; and

WHEREAS, it is desirable and in the public interest that the City of Bridgeport submits an application to the **State of Connecticut Office of Policy and Management (OPM)** to support the purpose of funding improvements to the John Street Corridor.

NOW THEREFORE, BE IT HEREBY RESOLVED BY THE CITY COUNCIL:

1. That it is cognizant of the City's grant application to and contract with the **State of Connecticut Office of Policy and Management (OPM)** for the purpose funding improvements to the John Street Corridor; and

2. That it hereby authorizes, directs and empowers the Mayor or his designee, the **Director of the Central Grants**, to execute and file such application with the **State of Connecticut Office of Policy and Management – 2017 Responsible Growth and Transit-Oriented Development Program** and to provide such additional information and to execute such other contracts, amendments, and documents as may be necessary to administer this program.

OFFICE OF THE CITY CLERK
COMMUNICATION FORM

IMMEDIATE CONSIDERATION

Below to be used for processing of Immediate Consideration items only

Log ID/Item number:	**92-16**
Submitting Department / Contact Name	**Office of the City Attorney** **Mark T. Anastasi, Associate City Attorney**
Subject:	**Proposed Amendments to the Municipal Code of Ordinances, Title 10 – Vehicles and Traffic including but not limited to Chapter 10.12 and 10.16.**
Referred to Committee:	~~**Immediate Consideration**~~ Item was changed to Referral to Ordinance Committee (off the floor) on 06/19/2017
City Council Date:	**June 19, 2017**

Attest:

Lydia N. Martinez, City Clerk **Date**

Approved by:

Joseph Ganim, Mayor **Date**

IMMEDIATE CONSIDERATION

MEETING DATE: June 19, 2017 NO. 92-16

COMMITTEE: Ordinance REFERRED TO COMM.:

SUBJECT: Proposed Amendments to the Municipal Code of Ordinances, Title 10 - Vehicles and Traffic including but not limited to Chapters 10.12 and 10.16.

Milta To refer to committee Second Evette B

MOTION BY: Paoletta 2ND BY: Evans

APPROVED ✓ DENIED _____ TABLED _____ REF. TO COMM. _____

REMARKS:

Item was changed to refer to Ordinance Committee from the floor on 6/19/2017

	YES	NO
Kathryn M. Bukovsky		
Scott Burns		
Jack O. Banta		
Denese Taylor-Moye		
M. Evette Brantley		
John W. Olson		
Thomas C. McCarthy		
Jeanette Herron		
Michelle A. Lyons		
AmyMarie Vizzo-Paniccia		
Mary A. McBride-Lee		
Richard D. Salter, Sr.		
Jose Casco		
Alfredo Castillo		
Aidee Nieves		
Milta I. Feliciano		
Anthony R. Paoletto		
Nessah J. Smith		
Eneida L. Martinez		
James Holloway		

ATTEST CITY CLERK

RECEIVED
CITY CLERK'S OFFICE
2017 JUN 20 A 9:27

CITY OF BRIDGEPORT
OFFICE OF THE CITY ATTORNEY
999 Broad Street
Bridgeport, Connecticut 06604-4328

CITY ATTORNEY
R. Christopher Meyer

DEPUTY CITY ATTORNEY
John P. Bohannon, Jr.

ASSOCIATE CITY ATTORNEYS
Mark T. Anastasi
Richard G. Kascak, Jr.
Bruce L. Levin
Russell D. Liskov
John R. Mitola
Lawrence A. Ouellette, Jr.
Ronald J. Pacacha
Lisa R. Trachtenburg

ASSISTANT CITY ATTORNEYS
Edmund F. Schmidt
Eroll V. Skyers
Tyisha S. Toms

Telephone (203) 576-7647
Facsimile (203) 576- 8252

Comm. #92-16 Ref'd to Ordinance Committee
On 6/19/2017

June 15, 2017

City Council
of the City of Bridgeport
45 Lyon Terrace
Bridgeport CT 06604

Re: Proposed Amendments to BPT Code of Ordinances, Title 10 – Vehicles and Traffic

Dear Honorable Councilpersons:

Kindly place the above-referenced matter on the Agenda or an Addendum to the Agenda for the City Council meeting of Monday, June 19, 2017 **FOR IMMEDIATE CONSIDERATION.**

The proposed amendments to Chapters 10.12 - STOPPING, STANDING AND PARKING GENERALLY and 10.16 – PARKING are enclosed.

The Council is requested to adopt these amendments to be effective immediately upon publication and adoption/approval by the Board of Police Commissioners (if and as appropriate).

Thank you for your assistance in this matter.

Very truly yours,

Mark T. Anastasi
Assoc. City Atty.

Cc: Lydia Martinez, City Clerk
Frances Ortiz, Asst. City Clerk
R. Christopher Meyer, City Atty.
Daniel Shamus, Chief of Staff
Thomas Gaudett, Aide to the Mayor for Ops. & Constituent Serv.
Edward Adams, Dir. of Gov. Accountability & Integrity
Ronald J. Pacacha, Esq.

RECEIVED
CITY CLERK'S OFFICE
2017 JUN 16 P 4:56
ATTEST
CITY CLERK

PROPOSED AMENDMENTS of BPT Code of Ordinances
TITLE 10 – VEHICLES AND TRAFFIC

CHAPTER 10.12 STOPPING, STANDING AND PARKING GENERALLY

. . . .

10.12.010 - Restrictions on stopping or parking generally—Violations—Penalties—Exemption.

A. Violations. No person driving or controlling a vehicle shall stop or cause or permit the same to be stopped or parked:

1. Beyond the legal parking time established for such area or parked overtime in any parking meter space;

2. More than twelve (12) inches from the curb;

3. Upon or obstruct any crossing of any street;

4. Within the intersection of any street;

5. Within twenty-five (25) feet of any intersection or a marked crosswalk;

6. Within twenty-five (25) feet of a duly erected stop sign;

7. So to obstruct a driveway;

8. On a public sidewalk and/or any other portion (including, but not limited to, the curb and the grassy or dirt strip between the curb and the paved portion of the sidewalk) of the city's right-of-way other than the paved portion of the street;

9. So to obstruct the free movement of traffic and/or constitute a traffic hazard;

10. Within a designated handicapped parking space and who does not display an official state handicapped parking permit on their vehicle;

11. Within an established bus stop zone;

12. Within a fire zone marked "no parking fire zone tow away zone" and

13. Within ten feet of a hydrant.

RECEIVED
CITY CLERK'S OFFICE
2017 JUN 16 P 4:43
ATTEST
CITY CLERK

B. Penalty. Any person who shall receive a notice from the police department of the city to appear at the office of police headquarters to the effect that his vehicle was parked in violation of this section shall pay to the clerk of the police department the following sums:

1. Beyond the legal parking time established for such area or parked overtime in any parking meter space, [~~forty~~] twenty-five dollars [~~($40.00)~~] ($25.00);

2. More than twelve (12) inches from the curb, forty dollars ($40.00);

3. Upon or obstruct any crossing of any street, fifty dollars ($50.00);

4. Within the intersection of any street, fifty dollars ($50.00);

5. Within twenty-five (25) feet of any intersection or a marked crosswalk, forty dollars ($40.00);

6. Within twenty-five (25) feet of a duly erected stop sign, forty dollars ($40.00);

7. So to obstruct a driveway, forty dollars ($40.00);

8. On a public sidewalk, sixty dollars ($60.00);

9. So to obstruct the free movement of traffic and/or constitute a traffic hazard, sixty-five dollars ($65.00);

10. Within a designated handicapped parking space and who does not display an official state handicapped overtime parking permit on their vehicle, one hundred fifty dollars ($150.00);

11. Within an established bus stop zone, sixty dollars ($60.00);

12. Within a fire zone marked "no parking fire zone—tow away zone," sixty-five dollars ($65.00);

13. Within ten feet of a hydrant, eighty dollars ($80.00);

14. Night time parking tractor weighing more than ten thousand (10,000) pounds, one hundred thirty dollars ($130.00).

C. Additional Penalty. In the event any person fails to comply within fourteen (14) days from the date of issuance thereof, such person shall pay an additional sum as indicated in this subsection:

1. A violation of [~~forty~~] twenty-five dollars [~~($40.00)~~] ($25.00) increases to [~~eighty~~] fifty dollars [~~($80.00)~~] ($50.00) per violation;

2. A violation of forty dollars ($40.00) increases to eighty dollars ($80.00) per violation;

3. A violation of fifty dollars ($50.00) increases to one hundred dollars ($100.00) per violation;

4. A violation of sixty dollars ($60.00) increases to one hundred twenty dollars ($120.00) per violation;

5. A violation of sixty dollars ($60.00) increases to one hundred twenty dollars ($120.00) per violation;

6. A violation of sixty-five dollars ($65.00) increases to one hundred thirty dollars ($130.00) per violation;

7. A violation of eighty dollars ($80.00) increases to one hundred sixty dollars ($160.00) per violation;

8. A violation of eighty-five dollars ($85.00) increases to one hundred seventy dollars ($170.00) per violation;

9. A violation of one hundred thirty dollars ($130.00) increases to two hundred sixty dollars ($260.00);

10. A violation of one hundred fifty dollars ($150.00) increases to three hundred dollars ($300.00).

D. Exemption. A vehicle shall not be in violation of this section which has become disabled to such an extent that it is impossible or impracticable to remove it, may be permitted to so remain for a reasonable time for the purpose of making repairs thereto or of obtaining sufficient assistance to remove it. Nothing in this section shall be construed to prohibit a vehicle from stopping or being held stationary by any police officer in an emergency to avoid accident or to give the right-of-way to any vehicle or pedestrian as provided by law.

(Ord. dated 7/5/05: Ord. dated 6/6/05; Ord. dated 10/2/00: Ord. dated 5/15/89: prior code § 20-31)

(Ord. dated 11/3/08; Ord. dated 2/2/09; Ord. dated 5/16/16)

CHAPTER 10.16 - PARKING

. . . .

10.16.070 - Rates and charges; grace period; prompt payment discount; immobilization; exemptions.

A. Rates and Charges. The city council shall fix the minimum rates, rentals, fees and other charges for the use of, and for the administration, operation, construction, maintenance, replacement, services rendered and facilities furnished or to be furnished by each parking meter and parking facility. Such rates, rentals, fees and other charges shall be so fixed and revised as to provide funds sufficient at all times (a) to pay the cost of maintaining, repairing and operating the parking system, parking meters and parking facilities, including reserves for such purpose and for replacements and depreciation, (b) to pay the principal of and the interest on revenue bonds as the same become due and reserves therefore and (c) to provide a reserve fund as a margin of safety for making such payments as such revenue bonds may require. The rates, rentals, fees and other charges for the service and facilities furnished or to be furnished in the city's parking system are as follows:

Parking meters:

Daily ordinary rate unless otherwise authorized by ordinance $1.00/hour

Special parking zone rate $2.00/hour

Delivery meter bag permit until midnight $25.00/day

Failure to timely return immobilization device in twenty-four (24) hours to parking administrator $125.00

B. Grace Period. ~~No parking violation shall be issued until five minutes after the time paid for with the parking fee for the vehicle has elapsed.~~

There shall be a ten (10) minute grace period within which to make initial payment for a metered parking space before a violation is incurred.

Additionally, a vehicle may remain parked in a metered space for not more than ten (10) minutes after the time paid for has expired without incurring a violation.

C. Prompt Payment Discount. After the expiration of the time limit paid for by the parking fee has expired, the vehicle owner or operator may obtain a discount from the fine ordinarily assessed for the parking violation upon making payment by phone to the parking administrator in the manner set forth on the parking meter or on signage in the vicinity of the parking meter.

D. Immobilization Device. In the event that an immobilization device is placed on the vehicle for five or more accumulated and unpaid parking violations, upon making payment by phone to the parking administrator in the manner set forth on the parking meter or on signage in the vicinity of the parking meter, the owner or operator will receive instructions that will enable the owner to immediately remove the immobilization device, which must be returned to the office of the parking administrator within twenty-four (24) hours after the issuance of the parking violation in order to avoid the imposition of additional fines.

E. Exemptions. The city authorizes the parking administrator to review and validate parking violations and send notices to owners based upon the data captured by the parking meters and other information available to it, and shall have the power to invalidate parking violations (i) under Chapter 10.12.010 (D) of the Code of Ordinances, (ii) on account of inoperative or inaccurate parking meters, or (iii) for other good cause shown, and shall have the power to exempt certain owners of public service vehicles, emergency vehicles, and the like in a manner consistent with city ordinances and state law.

(Ord. dated 7/5/16)

. . . .

~~**10.16.130 - Overtime parking; grace period; using expired or inoperative parking meter.**~~

~~A. Any vehicle that utilizes a parking meter space during periods when a parking fee is due shall immediately deposit or make payment of the parking fee for such parking space in compliance with this chapter. Failure to pay the parking fee shall be a violation of this chapter and shall subject such person to the parking violations authorized by this chapter. If such vehicle shall remain parked in any such parking meter space beyond the parking time limit fixed for such parking meter space, such vehicle shall be deemed illegally parked.~~

~~B. A vehicle shall not be deemed illegally parked until five minutes after the time paid for by the parking fee has expired. C. A vehicle that is parked at a parking meter for which the owner or operator has paid no parking fee or is parked at a parking meter that is broken or inoperative for any reason shall constitute illegal parking under this chapter.~~

~~(Ord. dated 7/5/16)~~

Ortiz, Frances

From: Anastasi, Mark T
Sent: Friday, June 16, 2017 4:38 PM
To: Martinez, Lydia; Ortiz, Frances
Cc: Shamas, Daniel; Adams, Edward; Gaudett, Thomas; Meyer, RChristopher
Subject: Proposed Parking Meter Ord. Amendments
Attachments: Proposed June 2017 Amendments to BPT Code of Ord. Title 10 Vehicles and Traffic.doc

Importance: High

Per your request. Thanks.

RECEIVED
CITY CLERK'S OFFICE
2017 JUN 16 P 4:43
ATTEST
CITY CLERK

Ortiz, Frances

From: Ortiz, Frances
Sent: Friday, June 16, 2017 4:42 PM
To: Anastasi, Mark T
Cc: Martinez, Lydia; Shamas, Daniel; Adams, Edward; Gaudett, Thomas; Meyer, RChristopher; Pettway, Lonnette
Subject: FW: Proposed Parking Meter Ord. Amendments
Attachments: Proposed June 2017 Amendments to BPT Code of Ord. Title 10 Vehicles and Traffic.doc

Importance: High

Thanks need a cover letter as well.

From: Anastasi, Mark T
Sent: Friday, June 16, 2017 4:38 PM
To: Martinez, Lydia <lydia.martinez@Bridgeportct.gov>; Ortiz, Frances <Frances.Ortiz@Bridgeportct.gov>
Cc: Shamas, Daniel <Daniel.Shamas@Bridgeportct.gov>; Adams, Edward <Edward.Adams@Bridgeportct.gov>; Gaudett, Thomas <Thomas.Gaudett@Bridgeportct.gov>; Meyer, RChristopher <RChristopher.Meyer@Bridgeportct.gov>
Subject: Proposed Parking Meter Ord. Amendments
Importance: High

Per your request. Thanks.

City of Bridgeport, Connecticut
OFFICE OF PLANNING & ECONOMIC DEVELOPMENT
OFFICE OF HOUSING & COMMUNITY DEVELOPMENT
999 Broad Street
Bridgeport, Connecticut 06604
Telephone (203) 576-7221 • Fax (203)332-5611

JOSEPH P. GANIM
Mayor

THOMAS GILL
Director

GINNE-RAE CLAY
Deputy Director

Comm. #93-16 Ref'd to Special Committee on CDBG
On 6/19/2017

DATE: June 16, 2017

TO: Honorable Members of the Bridgeport City Council

FROM: Ginne-Rae Clay
Deputy Director, Housing and Community Development

RE: Program 43 Annual Action Plan;
Community Development Block Grant(CDBG);
Homeless Emergency Solutions Grant (HESG);
HOME Investment Partnership; and
Housing Opportunities for Persons with AIDS(HOPWA)

For the upcoming fiscal year, the U.S. Department of Housing and Urban Development ("HUD") requires the City of Bridgeport to prepare and submit an Annual Action Plan for Program Year 43 which covers the period from July 1, 2017 to June 30, 2018. HUD requires municipalities such as Bridgeport to prepare and Annual Action Plan in order for the City of apply for and receive funds under the following four (4) formula grants programs: Community Development Block Grants (CDBG), Homeless Emergency Solutions Grant (HESG), Housing Opportunities for Persons with AIDS (HOPWA), and the HOME Investment Partnership Program(HOME). HUD has notified the City to anticipate the following entitlement awards for the coming fiscal year.

CDBG	$2,867,870
HESG	$248,389
HOPWA	$907,156
HOME	$852,089

The City advertised the anticipated availability of funding on December. Application became available of February 2, 2017 and the department conducted the following technical assistance workshops:

CDBG

Tuesday, February 21, 2017	10:00am – 12:00pm
Wednesday, February 22, 2017	10:00am – 12:00pm
Thursday, February 23, 2017	10:00am – 12:00pm

HESG

Tuesday, February 21, 2017	1:00pm – 3:00 pm
Wednesday, February 22, 2017	1:00pm – 3:00 pm

HOPWA

Thursday, February 23, 2017	10:00am – 12:00pm

Application were accepted through March 3, 2017. The Citizens Union will host two public hearings to be held on June 27th and June 28th at 6:00 pm at Bridgeport City Hall, 45 Lyon Terrace in the City Council Chambers 45 Lyon Terrace. The Citizens Union is scheduled to deliberate and vote on June 29, 2017. The Special Committee on Community Development Block Grant (CDBG) of the City Council will conduct two public hearing. Pending Council and Committee approval and referral to CDBG Committee which will be appointed by Council President McCarthy on Monday, June 19, 2017, these public hearing have been tentatively set to be held jointly with the Citizen Union on June 27th and June 28th at 6:00 pm. The staff of the Office of Housing and Community Development will be available at all upcoming meetings and hearings to answer questions and to provide additional information.

For your consideration, attached please find a draft resolution authorizing the approval of the Program Year 43 Annual Action Plan. Please Keep in mind that additional information will be provided to you as it becomes available, however, it is necessary to submit this draft resolution to you for initial consideration and referral to the Special Committee on Community Development Block Grant (CDBG), to meet upcoming HUD deadlines.

Thank you for your consideration.

Cc: Kimberly Staley, Chief Administrative Officer, via email
John Gomes, Deputy Chief Administrative Officer, via email
Tom Gill, Director Office of Planning and Economic Development
Chris Meyer, City Attorney
Tom Gaudett, Mayor's Office

PROGRAM YEAR 43 ANNUAL ACTION PLAN

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM HOMELESS EMERGENCY SOLUTIONS GRANT PROGRAM HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS PROGRAM HOME INVESTMENT PARTNERSHIP PROGRAM

WHEREAS, the City of Bridgeport, Connecticut (the "City") is required to prepare and submit to the U.S. Department of Housing and Urban Development ("HUD") an *Annual Action Plan* which presents a vision statement of guidance, "to develop viable urban neighborhoods through comprehensive funding of programs that have the largest benefit to the City, and aid in the provision of a suitable living environment and expanded economic opportunities principally for low- and moderate-income persons"; and

WHEREAS, the City of Bridgeport has developed a proposed *Program Year 43 ("PY 43") Annual Action Plan* and anticipates the following allocation of federal funds from the U.S. Department of Housing & Urban Development for FY 2017-2018.

Community Development Block Grant Program	$ 2,867,870
Homeless Emergency Solutions Grant Program	$ 248,389
HOPWA	$ 907,156
HOME	$ 852,089

WHEREAS, two joint public hearings will be held, by the Citizen's Union and the Special Committee on Community Development Block Grant (CDBG) of the City Council on June 27 and June 28, 2017. The Citizen's Union is scheduled to deliberated and voted on June 29, 2017, the Draft Proposed Plan will be published on July 6, 2017. That public comment period will end on July 21, 2017 and;

WHEREAS, the City Council of the City of Bridgeport accepts the *PY 43 Annual Action Plan* (as attached) as part of the City's *Five Year 2013-2018 Consolidated Housing and Community Development Plan* in order for the City to apply for, and receive funds under the following four formula grant programs: Community Development Block Grant ("CDBG") Program; HOME Investment Partnerships ("HOME") Program; the Homeless Emergency Solutions Grant ("HESG") Program and the Housing Opportunities for Persons with AIDS ("HOPWA") Program; and

Now, therefore be it

RESOLVED, that the Mayor of the City of Bridgeport, and/or his designee, the Deputy Director of the Office of Planning and Economic Development, is/are hereby authorized and empowered to sign the required certifications and any necessary documents and/or agreements required by the Secretary of the U.S. Department of Housing and Urban Development to accept and execute the Community Block Grant Program, Homeless Emergency Solutions Grant Program, HOME Program, Housing Opportunities for Persons with AIDS Program and to present to HUD for approval.

App #	Agency Name	PY 43 Request	PY43 Citizen's Union Recommendation	PY4 ECD&E Approved Alloccation
	Public Service			
82	Access Educational	$15,000.00		
67	Boys & Girls Club Orcutt After School	$62,460.00		
23	Bridgeport Caribe Youth Leaders: Caribe Youth Leaders	$50,000.00		
35	Bridgeport Neighborhood Trudt - Foreclosure Prevention	$20,000.00		
48	Bridgeport Regional - Bridgeport Farmers Market	$28,160.00		
37	Bridgeport YMCA- South End Community Center: Program	$22,000.00		
72	Center for Family Justice - Advocacy, Crisis & Self Sufficiency Services	$50,000.00		
3	Children In Placement: Court Appt Special Advocates	$18,000.00		
5	CoB: Department on Aging Programs	$25,220.00		
64	CoB: Health Department - MIRA	$39,304.00		
65	CoB: Health Department - Re-Entry	$104,144.00		
19	CoB: Social Services: East Side Senior Center RENTAL	$46,000.00		
18	CoB: Social Services: East Side Senior Center PROGRAM	$10,000.00		
62	CoB: Social Services: Utility Shut-Off Protection	$14,000.00		
39	CoB/OPED: NRZ Leadership	$10,000.00		
40	CoB/OPED: East End NRZ: Youth Mentoring (Newfield)	$45,120.00		
27	CoB: Mayor's Conservation Corps	$89,450.00		
1	CoB: Department of Youth Services YSB Grant Match	$43,500.00		
15	Council of Churches- Culinary Class	$22,417.00		
78	Council of Churches- Janus Center for Youth in Crisis	$10,000.00		
20	Downtown Cabaret: Cabaret Children's Company	$30,450.00		
7	GBAPP - Teen Fatherhood	$25,480.00		
45	Gods Vicorios Army Christina Church - City Wide College Inititive	$125,300.00		
58	Greater Bridgeport Symphony - Elderly Programs	$17,275.00		
59	Greater Bridgeport Symphony - Youth Programs	$18,062.00		
41	Groundwork Bridgeport: Youth Development	$49,600.00		
51	Hall Neighborhood House: Senior Director	$49,566.60		
52	Hall Neighborhood House: Youth Services Counselors	$28,200.00		

App #	Agency Name	PY 43 Request	PY43 Citizen's Union Recommendation	PY4 ECD&E Approved Alloccation
53	Hall Neighborhood House: Gross Motor Equipment	$10,000.00		
80	International Institue of Connecticut	$20,000.00		
14	Klein Memorial Auditorium Foundation: After School at the Klein (ASK)	$32,002.90		
43	McGivney Community Center Youth Programming	$15,000.00		
71	New Vision International Ministires - Summer Camp	$30,024.00		
11	Ralphola Taylor Community Center Staff	$35,000.00		
77	Sickle Cell: Sickle Cell Outreach	$67,593.00		
31	St. Vincents Medical Center Foundation - Cardio/Diabetes Task Team	$20,000.00		
32	Todays Students Tomorrows Teachers	$15,000.00		
68	VIP	$30,000.00		
	Public Service Total Requests	$1,343,328.50		
	Total Public Service Funds Available for Allocation *PS funds available are capped at 15% of total CDBG allocation	**$430,180.50**	$430,180.50	
	Public Facilities			
9	Alpha Community Services: Families in Transition	$42,000.00		
21	Bridgeport Community Land Trust	$9,500.00		
38	Bridgeport YMCA- South End Community Center: Program	$7,825.00		
22	Cardinal Shehan Center Facility Upgrades	$34,482.00		
73	Center for Family Justice - Safehouse Renovations	$100,000.00		
24	Chemical Abuse Services Agency: Casa Hostos HVAC	$110,000.00		
54	Church of Blessed Sacarment: Kitchen Renovation	$20,000.00		
63	CoB: Health & Social Services: Healthy Corner Stores	$20,000.00		
36	CoB: Public Facilities - Park City Picking it Up	$59,000.00		
6	CoB: Public Facilities - Firehouse	$500,000.00		
26	Downtown Special Services District (DSSD): Phase IIII Open Space Beautification	$96,000.00		
46	Gods Vicorios Army Christina Church - Parkling lot	$65,000.00		
47	Green Village Initiative - Community Garden	$12,750.00		
49	Hall Neighborhood House - Energy Efficency	$27,996.00		
50	Hall Neighborhood House: Health and Safety Upgrade	$89,070.00		

App #	Agency Name	PY 43 Request	PY43 Citizen's Union Recommendation	PY4 ECD&E Approved Alloccation
34	Home for the Brave	$28,600.00		
33	Lifebridge - Bathroom Reno	$30,757.00		
44	McGivney: Facilities Upgrade	$18,940.00		
70	New Vision International Ministires - Roof/Parking Lot	$265,000.00		
12	Ralphola Taylor Community Center	$25,000.00		
75	Trashbusters - Mill Hill NRZ	$10,000.00		
	Public Facilities Total Requests	$1,571,920.00		
	Public Facilities Funds Available for Allocation	**$928,487.20**	**$928,487.20**	
	Housing			
81	CoB: Bridgeport Lead Free Families	$25,000.00		
	CoB: OPED/HCD Homeowner Rehab	$150,000.00		
	CoB:OPED/HCD Housing Delivery Costs	$100,000.00		
16	Columbus Commons - Siding	$123,900.00		
60	Kennedy Center: Probus House	$23,000.00		
17	Roberto Clemente - Windows	$250,000.00		
69	Second Stone Ridge Cooperative	$620,659.50		
79	Townhouse Commons	$102,600.00		
	Housing Total Requests	$1,395,159.50		
	Housing Funds Available for Allocation	**$402,208.80**	$402,208.80	
	Economic Development	$0.00	$0.00	
	Total Public Facilities/Housing/Econ. Development Requested	$2,967,079.50	$0.00	
	Total Public Facilities/Housing/Econ. Development Available for Allocation		$0.00	
	****Total Reprogramming Amount Available for PF/Housing (estimate)**	**$0.00**	$0.00	
	Planning/Administration			
	Administration	$573,574.00		

App #	Agency Name	PY 43 Request	PY43 Citizen's Union Recommendation	PY4 ECD&E Approved Alloccation
	Planning/Administration Total Requests			
	Total Admin Funds Available for Allocation	$573,574.00		
	Section 108	**$273,419.50**	**$273,419.50**	
	Total CDBG Funding Available for Allocations			
	Total CDBG Funding Allocations Recommended			
	Total CDBG Funding Available for Allocation			
	Total Reprogramming Amount Available for Allocations (estimate)			
	Emergency Solutions Grant (HESG)	**$248,389.00**		
76	Helping Hands Outreach	$80,000.00		
	Total Street Outreach Requests Received	$80,000.00		
10	Alpha Community Services: Families in Transition	$60,000.00		
	Total Emergency Shelter Requests Received	$60,000.00		
13	CT Coalition: Homeless Mgmt Info Systems	$28,429.00		
	Total HMIS Requests Received	$28,429.00		
	Total SO/ES/HMIS Requests Received			
	SO/ES/HMIS Available (25% of total after admin)			
61	CoB: Social Services: Emergency Rental Assistance	$70,000.00		
55	ABCD: Emergency Energy Assistance	$75,000.00		

App #	Agency Name	PY 43 Request	PY43 Citizen's Union Recommendation	PY4 ECD&E Approved Alloccation
56	ABCD: Emergency Rental Assistance HPRP	$75,000.00		
57	ABCD: Emergency Rental Assistance	$75,000.00		
	Total Homeless Prevention Requests Received	$295,000.00		
42	United Way of Coastal Fairfield County: Bridgeport Rapid Rehousing	$80,000.00		
	Total Rapid Rehousing Requests Received	$80,000.00		
	Total HP/RR Requests Received			
	HP/RR Available (35% of total after admin)			
	HESG Admin			
	Total HESG Admin Available	$0.00		
	Total HESG Requests	$543,429.00		
	Total HESG Funding Available for Allocations			
	Housing Opportunities for People With HIV/AIDS (HOPWA)	**$907,156.00**		
30	AIDS Project Greater Danbury	$140,086.00		
2	Catholic Charities	$150,000.00		
25	Chemical Abuse Services Agency (CASA)	$161,000.00		
8	Inspirica - Housing	$198,000.00		
4	Mid-Fairfield AIDS Project, Inc.	$141,967.00		
29	Recovery Network of Programs	$140,000.00		
28	Refocus Outreach Ministry	$96,536.00		
	HOPWA Admin			
	Total HOPWA Requests	$1,027,589.00		
	Total HOPWA Funding Available for Allocations			

App #	Agency Name	PY 43 Request	PY43 Citizen's Union Recommendation	PY4 ECD&E Approved Alloccation
	HOME Program	$852,089.00		
	HOME Administration (10% of allocation)	$85,208.90		
	Affordable Housing Development	$766,880.10		
	HOME Program			
		2017-18 AWARD		
	PROGRAM TOTALS			
	CDBG	**$2,867,870.00**		PS = 15%
				ADMIN = 20%
				PF = Bal
				Section =
	HOME	**$852,089.00**		
	HOPWA	**$907,156.00**		ADMIN = 3%
	Total:			
	HESG	**$248,389.00**		
	Admin =7.5%			StOut/Emer?HMIS/ = 25%
	Available for Allocation			75%
	Total:			
	Total 2016-2017Allocation			

OFFICE OF THE CITY CLERK
RESOLUTION FORM

RECEIVED
CITY CLERK'S OFFICE
2017 JUN -9 A 11:26
ATTEST
CITY CLERK

SECTION I	CITY COUNCIL SUBMISSION INFORMATION
Log ID/Item Number:	86-16
Submitted by Councilmember(s):	James Holloway
Co-Sponsors(s):	Choose an item. Choose an item. Choose an item. Choose an item.
District:	139TH
Subject:	"No Through Traffic" signs on Seaview Avenue and Central Avenue
Referred to:	Board of Police Commissioners
City Council Date:	June 19, 2017

SECTION II **RESOLUTION *(PLEASE TYPE BELOW)***

WHEREAS, the City Council is responsible for promoting the public health, safety and welfare of residential areas, especially in those cases where population density and traffic congestion present threats not only to safety but to the quality of life for residents; and

WHEREAS, one serious problem facing neighborhoods in the City of Bridgeport is an increase in the levels of cut-through traffic, where drivers on busier more congested streets seek to find faster routes through narrow residential streets without stopping; and

WHEREAS, it is in the best interest of those who live and work in our City to discourage cut-through traffic in residential areas as much as possible through its prohibition; and

WHEREAS, an effective tool to reduce cut-through traffic and preserve a neigborhoods quality of life is by installing "No Through Traffic" signs at its key intersections; and

WHEREAS, residents along DeKalb Avenue, Deforest Avenue and Adam Street have complained to their Council representative that there has been an increased level of cut-through traffic using those streets to avoid the longer, more feasible route between the two more heavily travelled thoroughfares of Seaview Avenue and Central Avenue; and

NOW THEREFORE BE IT RESOLVED to manage the volume of traffic, reduce vehicle speeds and improve the health, safety and welfare of residents that the Police Commission authorize installing "No Through Traffic" signs on Seaview Avenue and Central Avenue at the DeKalb Avenue, Deforest Avenue and Adam Street intersections.

- See Attachments -

OFFICE OF THE CITY CLERK
RESOLUTION FORM

SECTION III SUBSEQUENT REFERRALS/REPLIES AND DATE SENT/RECEIVED

DEPARTMENT	Referral date sent	Response Received	Date reply received
Choose an item.		☐ Yes ☐ No	
Choose an item.		☐ Yes ☐ No	
Choose an item.		☐ Yes ☐ No	
Choose an item.		☐ Yes ☐ No	
Choose an item.		☐ Yes ☐ No	
Choose an item.		☐ Yes ☐ No	
Choose an item.		☐ Yes ☐ No	
Choose an item.		☐ Yes ☐ No	
Choose an item.		☐ Yes ☐ No	
Choose an item.		☐ Yes ☐ No	

SECTION IV PUBLIC HEARING INFORMATION

Public Hearing Required	Details	Date
☐ Yes ☐ No	Public Hearing Ordered on:	
	CT Post Publication Date(s):	
	Public Hearing Held on:	

SECTION V AMENDMENTS/EXHIBITS

Choose an item.	☐Yes ☐ No	Date:

SECTION VI COMMITTEE ACTION/APPROVAL INFORMATION

Choose an item.	☐Yes ☐ No	Date:
Choose an item.	☐Yes ☐ No	Date:
Choose an item.	☐Yes ☐ No	Date:

SECTION VII WITHDRAWN/SINE DIE INFORMATION

Choose an item.	☐Yes ☐ No	Date:

SECTION VIII DATE OF APPROVAL/DENIAL FROM CITY COUNCIL

City Council Approval Date:	

SECTION IX COMMENTS (*if any*)

Boyer, Mike

From: Boyer, Mike
Sent: Wednesday, June 07, 2017 10:31 AM
To: Gaudett, Thomas
Cc: Ortiz, Frances; Holloway, James
Subject: RE: Street Sign Request on Behalf of Councilman Holloway

Tom,

I'll put the resolution together for the Councilman and get it on the agenda for June 19th.

Mike

From: Gaudett, Thomas
Sent: Wednesday, June 07, 2017 10:18 AM
To: Boyer, Mike <Mike.Boyer@Bridgeportct.gov>
Cc: Ortiz, Frances <Frances.Ortiz@Bridgeportct.gov>; Holloway, James <James.Holloway@Bridgeportct.gov>
Subject: Street Sign Request on Behalf of Councilman Holloway

Good morning,

Councilman Holloway would like to request that the following item be added to the next City Council agenda to be referred to Board of Police Commissioners:

No Thru Traffic Signs on the following streets:

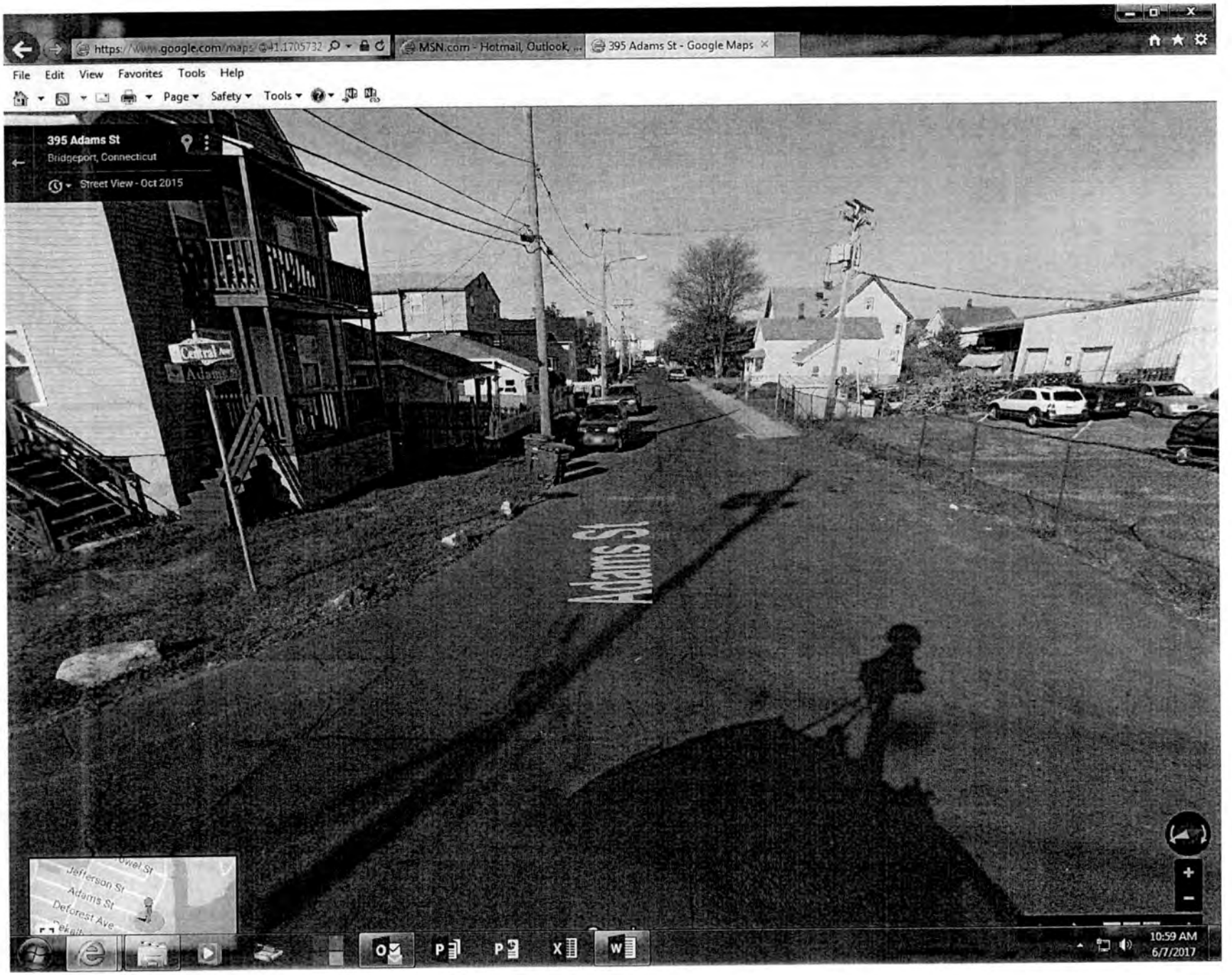
1. De Kalb Ave from Seaview to Central
2. De Forest from Seaview to Central
3. Adam St. from Seaview to Central

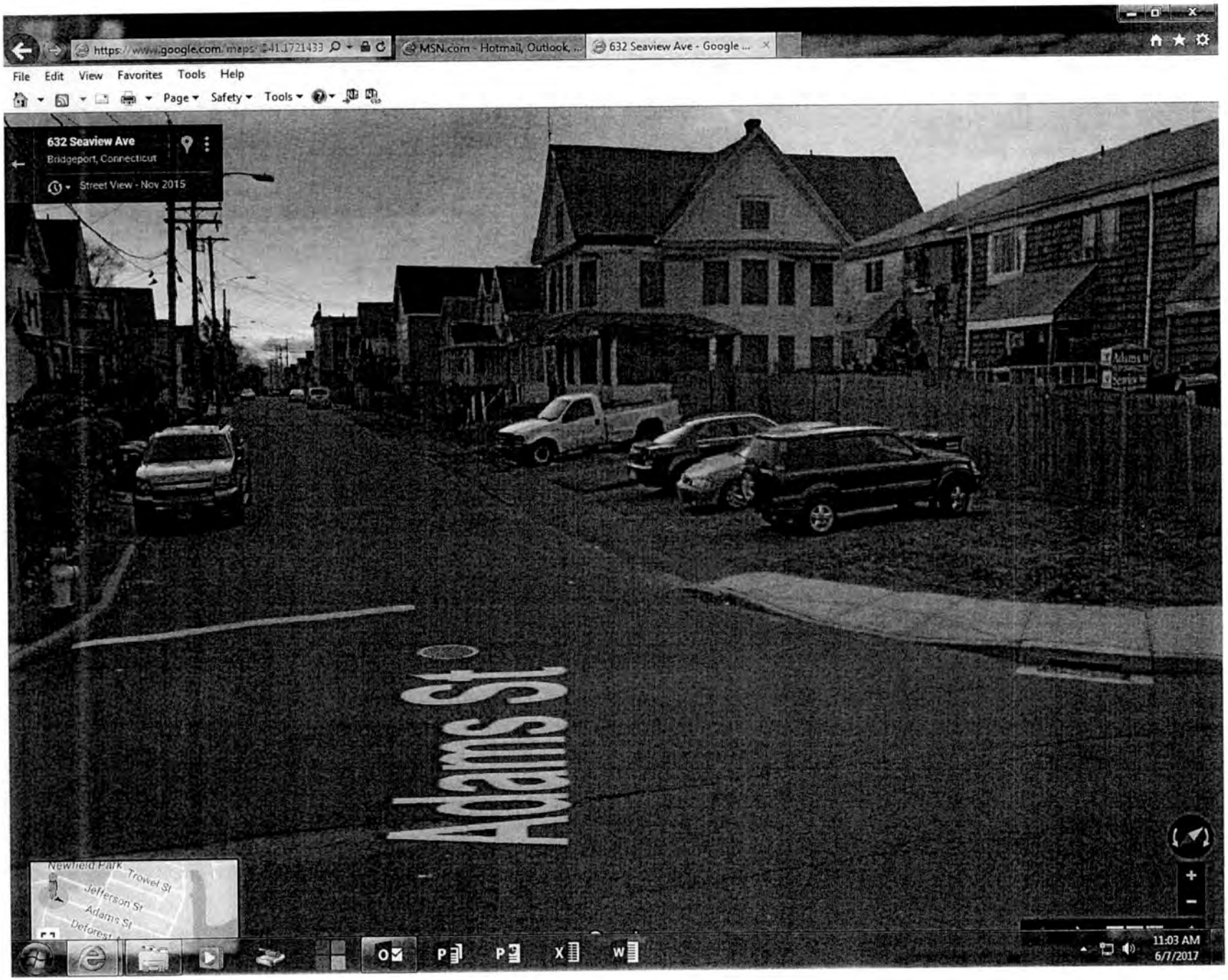
Thanks and best,
Tom

Thomas Gaudett
Office of the Mayor
999 Broad Street
Bridgeport, CT 06604
Office: 203-576-7201
thomas.gaudett@bridgeportct.gov

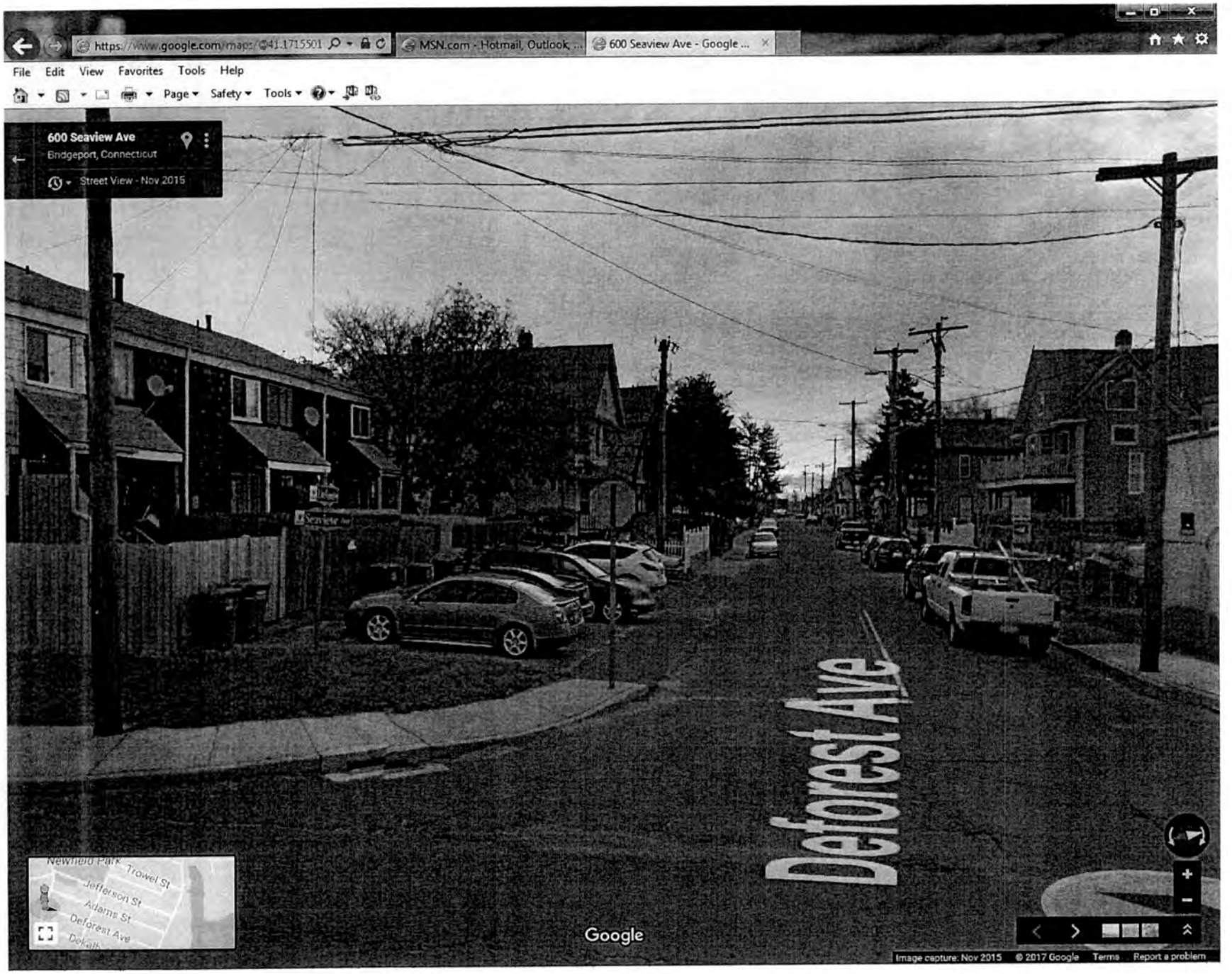

https://www.google.com/maps/place/Seavie
MSN.com - Hotmail, Outlook, ...
Seaview Ave - Google Maps
File Edit View Favorites Tools Help
Page Safety Tools
Sign in
Jessup Park
Jewels Jamaican Cuisine
Garcia Market
Suggetts Ln
Trowel St
Adams St
Jefferson St
Seaview Ave
Newfield Ave
Central Ave
Neighborhood Variety
Nunes Motors
Deforest Ave
Transatlantic Leasing
Brody Printing
PC Metals
Trent Auto
Sales & Services
Dekalb Ave
Edco Industries/Plastic
Injection Molding
Dolphin's Cove
Restaurant & Marina
Wat Lao
Kittisilaram Temple
Seaview Avenue Fish
Satellite
Google
Map data ©2017 Google
Terms
Send feedback
100 ft

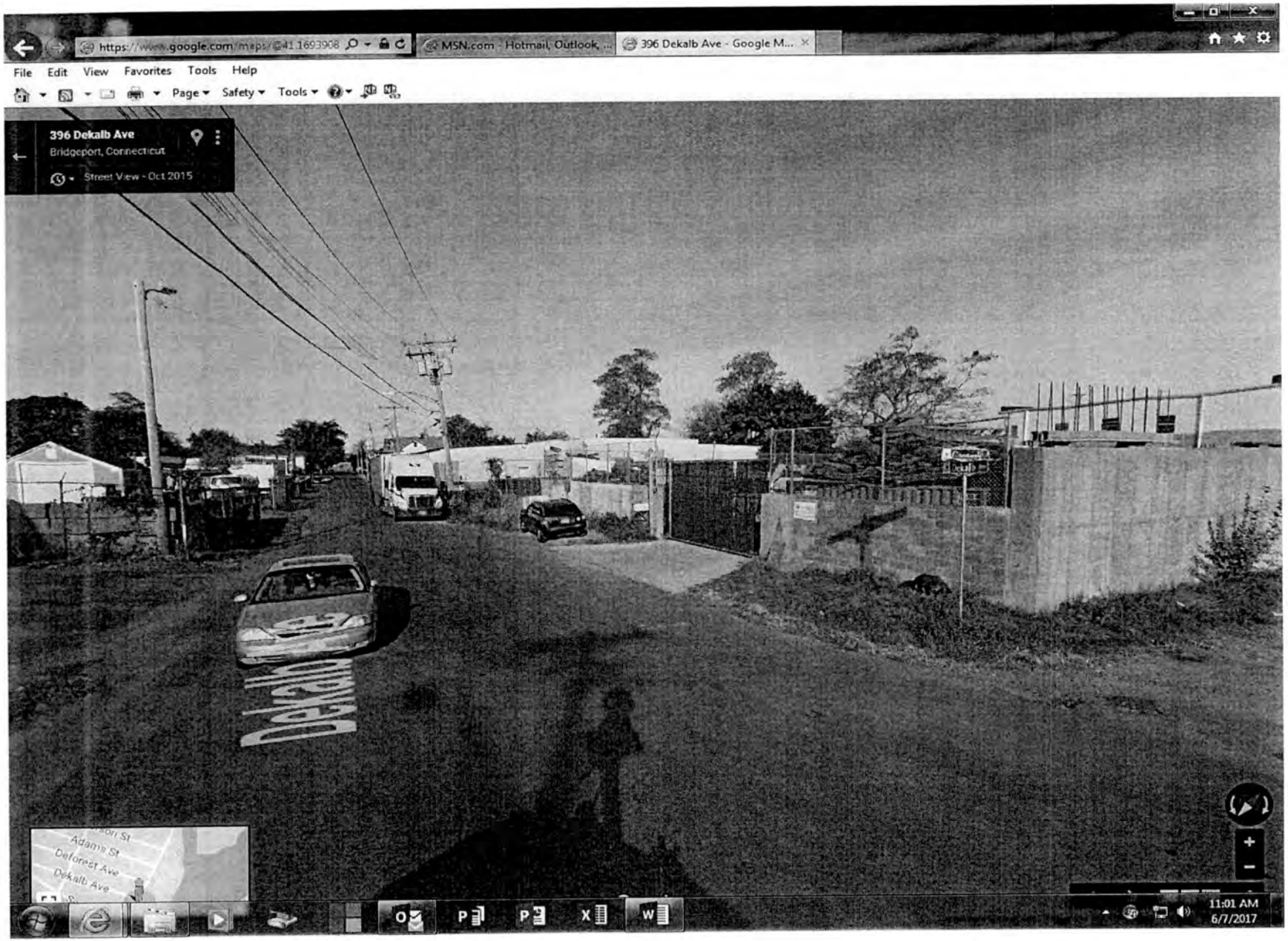

https://www.google.com/maps/place/Seavie
MSN.com - Hotmail, Outlook, ...
Seaview Ave - Google Maps
File Edit View Favorites Tools Help
Page Safety Tools
Sign in
Jefferson St
Seaview Ave
Jessup Park
Jewels Jamaican Cuisine
Garcia Market
Newfield Ave
Trowel St
Suggetts Ln
Adams St
Neighborhood Variety
Nunes Motors
Deforest Ave
Transatlantic Leasing
Trent Auto Sales & Services
Brody Printing
Dekalb Ave
Central Ave
Edco Industries/Plastic Injection Molding
Dolphin's Cove Restaurant & Marina
Wat Lao Kittisilaram Temple
Wednesday, June 07, 2017
10:55 AM
6/7/2017

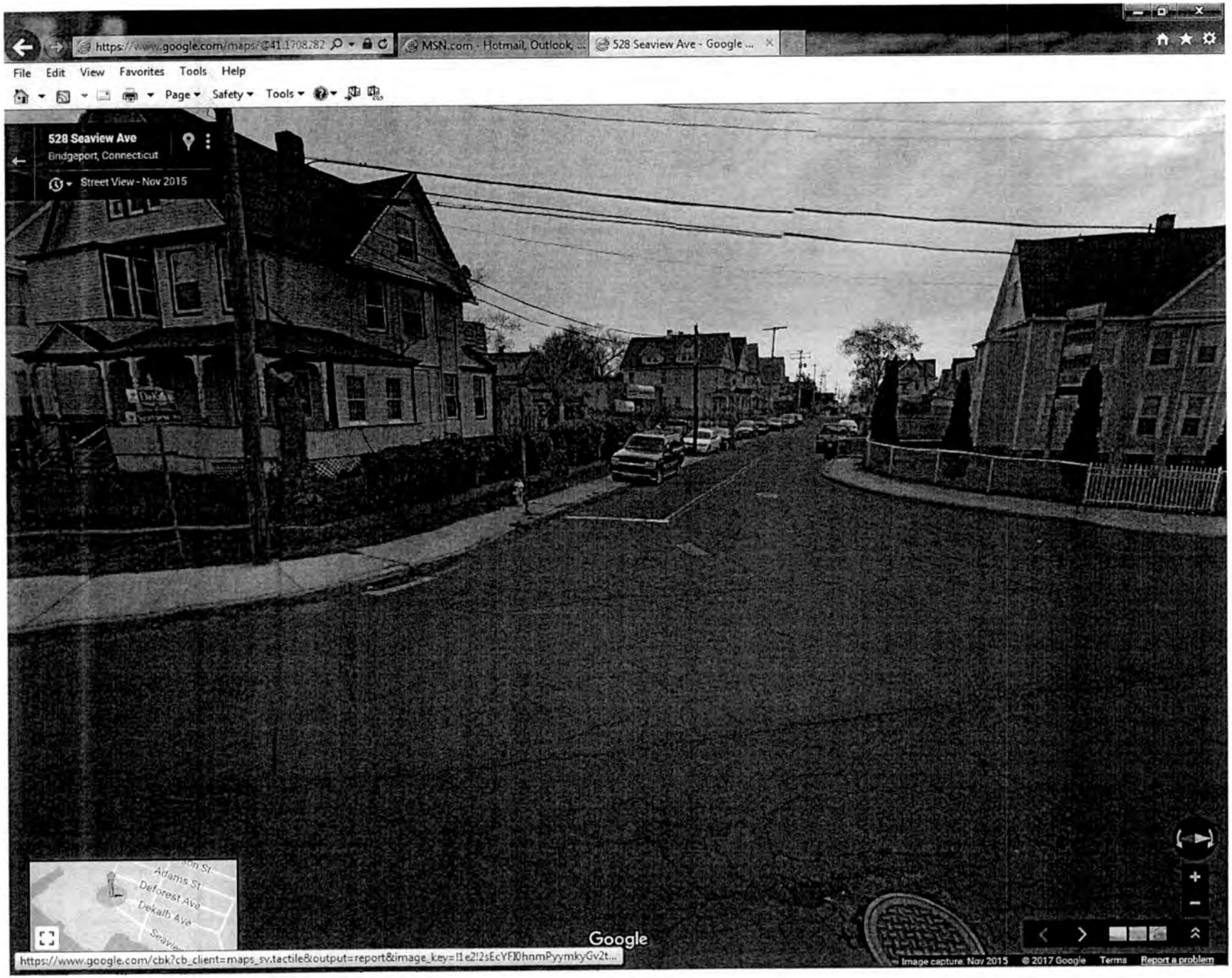

https://www.google.com/maps/@41.1705732
MSN.com - Hotmail, Outlook, ...
395 Adams St - Google Maps
File Edit View Favorites Tools Help
Page Safety Tools
395 Adams St
Bridgeport, Connecticut
Street View - Oct 2015
Central Ave
Adams St
Jefferson St
Adams St
Deforest Ave
10:59 AM
6/7/2017


https://www.google.com/maps/@41.1721433
MSN.com - Hotmail, Outlook, ...
632 Seaview Ave - Google ...
File Edit View Favorites Tools Help
Page Safety Tools
632 Seaview Ave
Bridgeport, Connecticut
Street View - Nov 2015
Adams St
Newfield Park
Trowel St
Jefferson St
Adams St
Deforest
11:03 AM
6/7/2017


https://www.google.com/maps/@41.1699952
MSN.com - Hotmail, Outlook, ...
187 Central Ave - Google M...
File Edit View Favorites Tools Help
Page Safety Tools
187 Central Ave
Bridgeport, Connecticut
Street View - Oct 2015
DeForest Ave
Central Ave
Jefferson St
Adams St
Deforest Ave
Show hidden icons
11:01 AM
6/7/2017


https://www.google.com/maps/@41.1715501
MSN.com - Hotmail, Outlook, ...
600 Seaview Ave - Google ...
File Edit View Favorites Tools Help
Page Safety Tools
600 Seaview Ave
Bridgeport, Connecticut
Street View - Nov 2015
DeForest Ave
Newfield Park
Trowel St
Jefferson St
Adams St
DeForest Ave
DeKalb
Google
Image capture: Nov 2015 © 2017 Google Terms Report a problem


https://www.google.com/maps/@41.1693908
MSN.com - Hotmail, Outlook, ...
396 Dekalb Ave - Google M...
File Edit View Favorites Tools Help
Page Safety Tools
396 Dekalb Ave
Bridgeport, Connecticut
Street View - Oct 2015
DEKALB
Adams St
Deforest Ave
Dekalb Ave
11:01 AM
6/7/2017


https://www.google.com/maps/@41.1708282
MSN.com - Hotmail, Outlook, ...
528 Seaview Ave - Google ...
File Edit View Favorites Tools Help
Page Safety Tools
528 Seaview Ave
Bridgeport, Connecticut
Street View - Nov 2015
Adams St
Deforest Ave
Dekalb Ave
Google
https://www.google.com/cbk?cb_client=maps_sv.tactile&output=report&image_key=!1e2!2sEcYFJ0hnmPyymkyGv2t...
Image capture: Nov 2015 © 2017 Google Terms Report a problem

OFFICE OF THE CITY CLERK
RESOLUTION FORM

RECEIVED
CITY CLERK'S OFFICE
2017 JUN 14 P 4:29
ATTEST: CITY CLERK

SECTION I	CITY COUNCIL SUBMISSION INFORMATION			
Log ID/Item Number:	90-16			
Submitted by Councilmember(s):	Jack O. Banta			
Co-Sponsors(s):	Denese Taylor-Moye	Scott Burns	Milta I. Feliciano	Jeanette Herron
District:	131ST			
Subject:	Resolution to Terminate Contract with LAZ Parking LTD. LLC			
Referred to:	Contracts Committee			
City Council Date:	June 19, 2017			

SECTION II **RESOLUTION *(PLEASE TYPE BELOW)***

Additional Co-Sponsors(s): Councilmembers John Olson, 132nd; Jose Casco, 136th; Mary Evette Brantley, 132nd; James Holloway, 139th; Aidee Nieves, 137th; Michelle Lyons, D-134th

WHEREAS, the city sought to improve metered parking as a public convenience and to enhance economic development; and

WHEREAS, the city desired to modernize its system of public parking to take advantage of new technologies, payment options, enhanced collection, enforcement and compliance techniques, and best management practices in the operation of its public parking infrastructure for the benefit of its citizens, businesses, and visitors; and

WHEREAS, the city expected LAZ Parking LTD. LLC, as its consultant to demonstrate several different meter technology options and data findings from merchants, residents, and visitors on their experiences, before making any recommendations to the city; and

WHEREAS, LAZ Parking LTD. LLC was expected to conduct evaluations of downtown Bridgeport analyzing traffic flow, usage patterns, way finding, opportunities for long and short term parking, and present a thorough analysis of ways to improve our parking management system to ensure best practices, enhance economic development, and improve the overall visitor experience; and

WHEREAS, the city entered into a 90-day pilot agreement with Municipal Parking Services (MPS) of Minnetonka, Minn. Per the recommendation of LAZ Parking LTD. LLC weeks before any approved contract was in place with LAZ Parking LTD, LLC and formally announced an agreement with MPS on July 6, 2016 which was within 24 hours of an incomplete signed contract agreement with the City of Bridgeport; and

WHEREAS, the consult of LAZ Parking LTD. LLC, to recommend photo enforcing meter technology that has not been industry proven, creating an over aggressive enforcement system burdening merchants, visitors, and residents without attempts to manage a proper rollout with appropriate signage, website, brochures, mobile payments, and parking management branding, has had a negative impact on the downtown economy and has ruined the visitor experience; and

WHEREAS, Downtown parking is now more fragmented than ever with all old departments still in play, no consolidation of resources, and lack of transparency; and

WHEREAS, Laz Parking LTD. LLC refused office space in city owned property and requested visible commercial space on 333 State Street at the expense of the City of Bridgeport; and

OFFICE OF THE CITY CLERK
RESOLUTION FORM

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Bridgeport, hereby authorizes and directs the Mayor of the City of Bridgeport to immediately take steps to terminate a Professional Services Agreement between the City of Bridgeport and LAZ Parking LTD LLC, the outline, of said contract with missing terms and unresolved task orders, having been approved by the City Council of the City of Bridgeport on June 20, 2016 and signed on July 5th, 2016 immediately after adoption of a new code of ordinance Chapter 10.16 – Parking Meters.

- Original Resolution is Attached as Submitted -

OFFICE OF THE CITY CLERK
RESOLUTION FORM

SECTION III SUBSEQUENT REFERRALS/REPLIES AND DATE SENT/RECEIVED

DEPARTMENT	Referral date sent	Response Received	Date reply received
Choose an item.		☐ Yes ☐ No	
Choose an item.		☐ Yes ☐ No	
Choose an item.		☐ Yes ☐ No	
Choose an item.		☐ Yes ☐ No	
Choose an item.		☐ Yes ☐ No	
Choose an item.		☐ Yes ☐ No	
Choose an item.		☐ Yes ☐ No	
Choose an item.		☐ Yes ☐ No	
Choose an item.		☐ Yes ☐ No	

SECTION IV PUBLIC HEARING INFORMATION

Public Hearing Required	Details	Date
☐ Yes ☐ No	Public Hearing Ordered on:	
	CT Post Publication Date(s):	
	Public Hearing Held on:	

SECTION V AMENDMENTS/EXHIBITS

Choose an item.	☐Yes ☐ No	Date:

SECTION VI COMMITTEE ACTION/APPROVAL INFORMATION

Choose an item.	☐Yes ☐ No	Date:
Choose an item.	☐Yes ☐ No	Date:
Choose an item.	☐Yes ☐ No	Date:

SECTION VII WITHDRAWN/SINE DIE INFORMATION

Choose an item.	☐Yes ☐ No	Date:

SECTION VIII DATE OF APPROVAL/DENIAL FROM CITY COUNCIL

City Council Approval Date:	

SECTION IX COMMENTS (*if any*)

Boyer, Mike

From: Banta, Jack
Sent: Wednesday, June 14, 2017 12:18 PM
To: Boyer, Mike
Subject: Fwd: Proposed Resolutions
Attachments: Proposed Resolution Terminate LAZ Contract.pdf; ATT00001.htm; Resolution- 12 month Moratoriums (2).pdf; ATT00002.htm

Sent from my iPhone

Begin forwarded message:

> **From:** Kelvin Ayala <pcflexts@gmail.com>
> **Date:** June 14, 2017 at 12:13:43 PM EDT
> **To:** Jack.Banta@bridgeportct.gov
> **Subject: Proposed Resolutions**
>
> See attached

RES. #90-16 Ref'd to Contracts Committee on 06/19/2017.

Proposed Resolution to terminate contract of Professional Consulting for Parking Solutions Procurement and Management Services Between the City of Bridgeport and LAZ Parking LTD LLC.

WHEREAS, the city sought to improve metered parking as a public convenience and to enhance economic development

WHEREAS, the city desired to modernize its system of public parking to take advantage of new technologies, payment options, enhanced collection, enforcement and compliance techniques, and best management practices in the operation of its public parking infrastructure for the benefit of its citizens, businesses, and visitors

WHEREAS, the city expected LAZ Parking LTD. LLC , as its consultant to demonstrate several different meter technology options and data findings from merchants, residents, and visitors on their experiences, before making any recommendations to the city

WHEREAS, LAZ Parking LTD. LLC was expected to conduct evaluations of downtown Bridgeport analyzing traffic flow, usage patterns, way finding, opportunities for long and short term parking, and present a thorough analysis of ways to improve our parking management system to ensure best practices, enhance economic development, and improve the overall visitor experience

WHEREAS, the city entered into a 90 day pilot agreement with Municipal Parking Services (MPS) of Minnetonka, Minn. Per the recommendation of LAZ Parking LTD. LLC weeks before any approved contract was in place with LAZ Parking LTD, LLC and formally announced an agreement with MPS on July 6, 2016 which was within 24 hours of a an incomplete signed contract agreement with the City of Bridgeport

WHEREAS, the consult of LAZ Parking LTD. LLC , to recommend photo enforcing meter technology that has not been industry proven, creating an over aggressive enforcement system burdening merchants, visitors, and residents without attempts to manage a proper rollout with appropriate signage, website, brochures, mobile payments, and parking management branding, has had a negative impact on the downtown economy and has ruined the visitor experience

WHEREAS, Downtown parking is now more fragmented than ever with all old departments still in play, no consolidation of resources, and lack of transparency

WHEREAS, Laz Parking LTD. LLC refused office space in city owned property and requested visible commercial space on 333 State Street at the expense of the City of Bridgeport

NOW, THERFORE, BE IT RESOLVED, that the City Council of the City of Bridgeport, hereby authorizes and directs the Mayor of the City of Bridgeport to immediately take steps to terminate a Professional Services Agreement between the City of Bridgeport and LAZ Parking LTD LLC, the outline, of said contract with missing terms and unresolved task orders, having been approved by the City Council of the City of Bridgeport on June 20, 2016 and signed on July 5th, 2016 immediately after adoption of a new code of ordinance Chapter 10.16 – Parking Meters

_____

Member, Bridgeport City Council

_____

Member, Bridgeport City Council

OFFICE OF THE CITY CLERK
RESOLUTION FORM

SECTION I	CITY COUNCIL SUBMISSION INFORMATION
Log ID/Item Number:	91-16
Submitted by Councilmember(s):	Jack O. Banta
Co-Sponsors(s):	Denese Taylor-Moye, Scott Burns, Milta I. Feliciano, Jeanette Herron
District:	131ST
Subject:	Resolution for 12-Month Moratorium on Parking Meters Collections & Enforcement
Referred to:	Contracts Committee
City Council Date:	June 19, 2017

RECEIVED
CITY CLERK'S OFFICE
2017 JUN 14 P 4:29
ATTEST: CITY CLERK

SECTION II **RESOLUTION *(PLEASE TYPE BELOW)***

Additional Co-Sponsors(s): Councilmembers John Olson, 132nd; Jose Casco, 136th; Mary Evette Brantley, 132nd; James Holloway, 139th; Aidee Nieves, 137th; Michelle Lyons, D-134th

WHEREAS, the city desired to improve metered parking as a public convenience and to enhance economic development by modernizing its system of public parking to take advantage of new technologies, payment options, enhanced collection, enforcement and compliance techniques, and best management practices in the operation of its public parking infrastructure for the benefits of its citizens, businesses, and visitors; and

WHEREAS, the city has a Master Plan for Downtown Development, the Parking Study of 2011, and the Parking Study of 2014 which all stressed the importance of a unified "Parking Management Administration and Management"; and

WHEREAS, on July 5, 2016, the city adopted a new Parking Ordinance establishing a "Parking Division" as it's parking management system operated by the Director of the Department of Public Facilities; and

WHEREAS, the city's goals were to improve the user experience, facilitate economic development, and increase revenues while providing diverse payment, revenue, and enforcement options; and

WHEREAS, the current "PARKING DIVISION" is still using the Parking Enforcement Bureau that existed under the old ordinance and has brought in a Professional Management Firm, LAZ Parking LTD, LLC that has fragmented parking while causing confusion, a public nuisance, a downturn in economic activity, and blatant non-transparency with the concerns of the business community, residents, and visitors; and

WHEREAS, Meter revenues have been monetized by the Public Safety Division and Public Facilities for years in the general fund and have not contributed to the upgrading of parking assets, creation of municipal lots, longer term metered zones, wayfinding and appropriate signage, and improving safe, convenient, and affordable parking options; and

WHEREAS, Our Parking Management has been a complete failure and is in desperate need of a complete overhaul beyond just installation of updated meter technologies; and

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Bridgeport:

OFFICE OF THE CITY CLERK
RESOLUTION FORM

Article 1. Authorizes and directs the Mayor of the City of Bridgeport to issue a 12-month moratorium on meter collections and enforcement effective immediately and send proper notice to all departments, agencies, chambers, business associations, residents, and visitors in an attempt to make the city of Bridgeport more business friendly while a complete overhaul of our parking management takes place.

Article 2. Reduce all outstanding fines issued since 01/01/17 by 50% as an Amnesty Phase over 45 Days.

Article 2. Immediately create an exploratory committee with the goal of establishing a "Parking Authority" as recommended by state statutes for municipalities with populations of more than 100k, and the 2014 Parking Study.

Article 3. The exploratory committee should consist of members of the Downtown Bridgeport Merchants Association, Bridgeport Chamber of Commerce, Greater Bridgeport Transit Authority, Bridgeport Regional Business Council, Downtown Special Services District, and 3 appointees of the Mayor's choosing.

Article 4. The Parking Fee Structure should be re-examined and Parking Fine Penalty of $40 should be considered for reduction to $25.00 to be commensurate with other large municipalities in the state as currently we have the highest penalty in Connecticut.

Article 5. Supporting a public parking system that stimulates economic and community development in Bridgeport while making public parking a convenience by usage of a branded parking system that works to create a safe and friendly visitor experience.

- Original Resolution is Attached as Submitted -

OFFICE OF THE CITY CLERK
RESOLUTION FORM

SECTION III SUBSEQUENT REFERRALS/REPLIES AND DATE SENT/RECEIVED

DEPARTMENT	Referral date sent	Response Received	Date reply received
Choose an item.		☐ Yes ☐ No	
Choose an item.		☐ Yes ☐ No	
Choose an item.		☐ Yes ☐ No	
Choose an item.		☐ Yes ☐ No	
Choose an item.		☐ Yes ☐ No	
Choose an item.		☐ Yes ☐ No	
Choose an item.		☐ Yes ☐ No	
Choose an item.		☐ Yes ☐ No	
Choose an item.		☐ Yes ☐ No	

SECTION IV PUBLIC HEARING INFORMATION

Public Hearing Required	Details	Date
☐ Yes ☐ No	Public Hearing Ordered on:	
	CT Post Publication Date(s):	
	Public Hearing Held on:	

SECTION V AMENDMENTS/EXHIBITS

Choose an item.	☐Yes ☐ No	Date:

SECTION VI COMMITTEE ACTION/APPROVAL INFORMATION

Choose an item.	☐Yes ☐ No	Date:
Choose an item.	☐Yes ☐ No	Date:
Choose an item.	☐Yes ☐ No	Date:

SECTION VII WITHDRAWN/SINE DIE INFORMATION

Choose an item.	☐Yes ☐ No	Date:

SECTION VIII DATE OF APPROVAL/DENIAL FROM CITY COUNCIL

City Council Approval Date:	

SECTION IX COMMENTS (*if any*)

Boyer, Mike

From: Banta, Jack
Sent: Wednesday, June 14, 2017 12:18 PM
To: Boyer, Mike
Subject: Fwd: Proposed Resolutions
Attachments: Proposed Resolution Terminate LAZ Contract.pdf; ATT00001.htm; Resolution- 12 month Moratoriums (2).pdf; ATT00002.htm

Sent from my iPhone

Begin forwarded message:

> **From:** Kelvin Ayala <pcflexts@gmail.com>
> **Date:** June 14, 2017 at 12:13:43 PM EDT
> **To:** Jack.Banta@bridgeportct.gov
> **Subject: Proposed Resolutions**
>
> See attached

RES. #91-16 Ref'd to Contracts Committee on 06/19/2017.

Proposed Resolution for a 12 month Moratorium on Parking Meters Collections & Enforcement for the City of Bridgeport

WHEREAS, the city desired to improve metered parking as a public convenience and to enhance economic development by modernizing its system of public parking to take advantage of new technologies, payment options, enhanced collection, enforcement and compliance techniques, and best management practices in the operation of its public parking infrastructure for the benefits of its citizens, businesses, and visitors

WHEREAS, The city has a Master Plan for Downtown Development, the Parking Study of 2011, and the Parking Study of 2014 which all stressed the importance of a unified "Parking Management Administration and Management"

WHEREAS, on July 5, 2016, the city adopted a new Parking Ordinance establishing a "Parking Division" as it's parking management system operated by the Director of the Department of Public Facilities

WHEREAS, the city's goals were to improve the user experience, facilitate economic development, and increase revenues while providing diverse payment, revenue, and enforcement options

WHEREAS, The current "PARKING DIVISION" is still using the Parking Enforcement Bureau that existed under the old ordinance and has brought in a Professional Management Firm, LAZ Parking LTD, LLC that has fragmented parking while causing confusion, a public nuisance, a downturn in economic activity, and blatant non transparency with the concerns of the business community, residents, and visitors

WHEREAS, Meter revenues have been monetized by the Public Safety Division and Public Facilities for years in the general fund and have not contributed to the upgrading of parking assets, creation of municipal lots, longer term metered zones, wayfinding and appropriate signage, and improving safe, convenient, and affordable parking options

WHEREAS, Our Parking Management has been a complete failure and is in desperate need of a complete overhaul beyond just installation of updated meter technologies

NOW, THERFORE, BE IT RESOLVED, that the City Council of the City of Bridgeport:

Article 1. Authorizes and directs the Mayor of the City of Bridgeport to issue a 12 month moratorium on meter collections and enforcement effective immediately and send proper notice to all departments, agencies, chambers, business associations, residents, and visitors in an attempt to make the city of Bridgeport more business friendly while a complete overhaul of our parking management takes place

Article 2. Reduce all outstanding fines issued since 01/01/17 by 50% as an Amnesty Phase over 45 Days.

Article 2. Immediately create an exploratory committee with the goal of establishing a "Parking Authority" as recommended by state statutes for municipalities with populations of more than 100k, and the 2014 Parking Study.

Article 3. The exploratory committee should consists of members of the Downtown Bridgeport Merchants Association, Bridgeport Chamber of Commerce, Greater Bridgeport Transit Authority, Bridgeport Regional Business Council, Downtown Special Services District, and 3 appointees of the Mayor's choosing.

Article 4. The Parking Fee Structure should be re-examined and Parking Fine Penalty of $40 should be considered for reduction to $25.00 to be commensurate with other large municipalities in the state as currently we have the highest penalty in Connecticut.

Article 5. Supporting a public parking system that stimulates economic and community development in Bridgeport while making public parking a convenience by usage of a branded parking system that works to create a safe and friendly visitor experience.

_____

Member, Bridgeport City Council

_____

Member, Bridgeport City Council

Item# *72-16 Consent Calendar

Pharmacy Benefit Management Agreement with Express Scripts, Inc. for the term of October 1, 2016 through December 31, 2019.

Report of Committee on Contracts

City Council Meeting Date: June 19, 2017

Attest: Lydia N. Martinez

Lydia N. Martinez, City Clerk

Approved by: _____

Joseph P. Ganim, Mayor

Date Signed: _____

In accordance with the Charter of the City of Bridgeport, Chapter 5, Section 11, the following resolution #72-16 was approved by the City Council of the City of Bridgeport on June 19, 2017 and does not require Mayoral signature; said approval effective as of July 11, 2017.

ATTEST _____
CITY CLERK

RECEIVED
CITY CLERK'S OFFICE
2017 JUL 10 P 3:20

City of Bridgeport, Connecticut
Office of the City Clerk

To the City Council of the City of Bridgeport.

The Committee on **Contracts** begs leave to report; and recommends for adoption the following resolution:

Item No. *72-16 Consent Calendar

RESOLVED, That the attached Pharmacy Benefit Management Agreement between the City of Bridgeport and Express Scripts, Inc. for the term of October 1, 2016 through December 31, 2019, be and it hereby is, in all respects, approved, ratified and confirmed.

RESPECTFULLY SUBMITTED,
THE COMMITTEE ON
CONTRACTS

Jack O. Banta, D-131st, ***Co-Chair***

Jeanette Herron, D-133rd, ***Co-Chair***

Milta I. Feliciano, D-137th

absent
AmyMarie Vizzo-Paniccia, D-134th

absent
James Holloway, D-139th

Alfredo Castillo, D-136th

Anthony R. Paoletto, D-138th

City Council Date: *June 19, 2017*

EXPRESS SCRIPTS, INC.
PHARMACY BENEFIT MANAGEMENT AGREEMENT

THIS PHARMACY BENEFIT MANAGEMENT AGREEMENT ("Agreement") will be effective as of the date set forth in Section 6.1 and is entered into by and between EXPRESS SCRIPTS, INC., a Delaware corporation ("ESI"), and CITY OF BRIDGEPORT, organized under the laws of the state of Connecticut ("Sponsor").

RECITALS

A. The Connecticut Public Sector Coalition (the "Coalition") issued a Request for Proposal for the provision of prescription drug benefit services for the Coalition Members to be provided under separate agreements to be executed between ESI and each Coalition Member.

B. ESI, either directly or through its subsidiaries, engages in pharmacy benefit management services, including, among other things, pharmacy network contracting; pharmacy claims processing; mail and specialty drug pharmacy; cost containment, clinical, safety, adherence, and other like programs; and formulary administration ("PBM Services").

C. Coalition desires to retain the services of ESI on behalf of Coalition Members.

D. Sponsor provides or arranges for the provision of health benefits, including a prescription drug benefit.

E. ESI and Sponsor desire that ESI be the exclusive provider of PBM Services for Sponsor's Plan (as defined below) under the terms and conditions set forth herein.

THEREFORE, in consideration of the mutual promises contained herein, the parties hereto agree as follows:

TERMS OF AGREEMENT

ARTICLE I - DEFINITIONS

"Ancillary Supplies, Equipment, and Services" or "ASES" means ancillary supplies, equipment, and services provided or coordinated by ESI Specialty Pharmacy in connection with ESI Specialty Pharmacy's dispensing of Specialty Products. ASES may include all or some of the following: telephonic and/or in-person training, nursing/clinical services, in-home infusion and related support, patient monitoring, medication pumps, tubing, syringes, gauze pads, sharps containers, lancets, test strips, other supplies, and durable medical equipment. The aforementioned list is illustrative only (not exhaustive) and may include other supplies, equipment, and services based on the patient's needs, prescriber instructions, payer requirements, and/or the Specialty Product manufacturer's requirements.

"Average Wholesale Price" or "AWP" means the average wholesale price of a prescription drug as identified by drug pricing services such as Medi-Span or other source recognized in the retail prescription drug industry selected by ESI (the "Pricing Source"). The applicable AWP shall be the 11-digit NDC for the product on the date dispensed, and for prescriptions filled in Participating Pharmacies, Mail Service Pharmacy, and ESI Specialty Pharmacy will be the AWP for the package size from which the prescription drug was dispensed. If the Pricing Source discontinues the reporting of AWP or Multi-Source Indicator code identifiers or materially changes the manner in which AWP is calculated or its Multi-Source Indicator code identifiers are reported, then ESI reserves the right to make an equitable adjustment as necessary to maintain the parties' relative economics and the pricing intent of this Agreement.

"Brand/Generic Algorithm" or "BGA" means ESI's standard and proprietary brand/generic algorithm, a copy of which may be made available for review by Sponsor or its Auditor upon request. The purposes of the algorithm are to utilize a comprehensive and logical algorithm to determine the brand or generic status of products in the ESI master drug file using a combination of industry standard attributes, to stabilize products "flipping" between brand and generic status as may be the case when a single indicator is used from industry pricing sources, and to reduce Sponsor, Member and provider confusion due to fluctuations in brand/generic status. Sponsor or its Auditor may audit ESI's application of its BGA to confirm that ESI is making brand and generic drug determinations consistent with such algorithm.

"Brand Drug" means a prescription drug identified as such in ESI's master drug file using indicators from First Databank (or other source nationally recognized in the prescription drug industry) on the basis of a standard Brand/Generic Algorithm, a copy of which may be made available for review by Sponsor or its Auditor upon request.

"Coalition" means the Connecticut Public Sector Coalition. The parties recognize however that there is no such legal entity as the Coalition.

"Coalition Member" means each entity that participates in the Coalition, as mutually agreed between the Coalition and ESI.

"Copayment" means that portion of the charge for each Covered Drug dispensed to the Member that is the responsibility of the Member (e.g., copayment, coinsurance and/or deductible) as indicated on the Set-Up Forms.

"Covered Drug(s)" means those prescription drugs, supplies, Specialty Products and other items that are covered under the Plan, each as indicated on the Set-Up Forms.

"Eligibility Files" means the list submitted by Sponsor to ESI in reasonably acceptable electronic format indicating persons eligible for drug benefit coverage services under the Plan.

"ESI National Plus Network" means ESI's broadest Participating Pharmacy network.

"ESI Specialty Pharmacy" means CuraScript, Inc., Accredo Health Group, Inc., Express Scripts Specialty Distribution Services, Inc., or another pharmacy or home health agency wholly-owned or operated by ESI or one or more of its affiliates that primarily dispenses Specialty Products or provides services related thereto; provided, however, that when the Mail Service Pharmacy dispenses a Specialty Product, it shall be considered an ESI Specialty Pharmacy hereunder.

"Formulary" means the list of FDA-approved prescription drugs and supplies developed by ESI's Pharmacy and Therapeutics Committee and/or customized by Sponsor, and which is selected and/or adopted by Sponsor. The drugs and supplies included on the Formulary will be modified by ESI from time to time as a result of factors, including, but not limited to, medical appropriateness, manufacturer Rebate arrangements, and patent expirations. Additions and/or deletions to the Formulary are hereby adopted by Sponsor, subject to Sponsor's discretion to elect not to implement any such addition or deletion through the Set-Up Form process, which such election shall be considered a Sponsor change to the Formulary.

"Generic Drug" means a prescription drug, whether identified by its chemical, proprietary, or non-proprietary name, that is therapeutically equivalent and interchangeable with drugs having an identical amount of the same active ingredient(s) and approved by the FDA, and which is identified as such in ESI's master drug file using indicators from First Databank (or other source nationally recognized in the prescription drug industry) on the basis of a standard Brand/Generic Algorithm, a copy of which may be made available for review by Sponsor or its Auditor upon request.

"MAC List" means a list of off-patent prescription drugs or supplies subject to maximum reimbursement payment schedules developed or selected by ESI.

"Mail Service Pharmacy" means a pharmacy wholly-owned or operated by ESI or one or more of its affiliates, other than an ESI Specialty Pharmacy, where prescriptions are filled and delivered to Members via mail delivery service.

"Manufacturer Administrative Fees" means those administrative fees paid by manufacturers to ESI in connection with ESI's invoicing, allocating and collecting the Rebates under the Rebate program.

"Maximum Reimbursement Amount" or "MRA" means the maximum unit ingredient cost payable by Sponsor for a drug on the MAC List based on maximum reimbursement payment schedule(s) developed or selected by ESI. The application of MRA pricing may be subject to certain "dispensed as written" (DAW) protocols and Sponsor defined plan design and coverage policies.

"Member" means each person who Sponsor determines is eligible to receive prescription drug benefits as indicated in the Eligibility Files.

"Member Submitted Claim" means a paper claim submitted by a Member for Covered Drugs dispensed by a pharmacy for which the Member paid cash.

"Participating Pharmacy" means any licensed retail pharmacy with which ESI or one or more of its affiliates has executed an agreement to provide Covered Drugs to Members, but shall not include any mail order or specialty pharmacy affiliated with any such Participating Pharmacy. Participating Pharmacies are independent contractors of ESI.

"PMPM" means per Member per month fee, if applicable, as determined by ESI from the Eligibility Files.

"Plan" means any self-funded prescription drug benefit plan(s) administered by Sponsor or a subsidiary or affiliate of Sponsor (including any retiree or Medicare employer group waiver plans).

"Prescription Drug Claim" means a Member Submitted Claim, Subrogation Claim or claim for payment submitted to ESI by a Participating Pharmacy, Mail Service Pharmacy, or ESI Specialty Pharmacy as a result of dispensing Covered Drugs to a Member.

"Rebates" mean retrospective formulary rebates that are paid to ESI pursuant to the terms of a formulary rebate contract negotiated independently by ESI and directly attributable to the utilization of certain Covered Drugs by Members. For sake of clarity, Rebates do not include, for example, Manufacturer Administrative Fees; inflation payments; product discounts or fees related to the procurement of prescription drug inventories by ESI Specialty Pharmacy or the Mail Service Pharmacy; fees received by ESI from pharmaceutical manufacturers for care management or other services provided in connection with the dispensing of products; or other fee-for-service arrangements whereby pharmaceutical manufacturers generally report the fees paid to ESI or its wholly-owned subsidiaries for services rendered as "bona fide service fees" pursuant to federal laws and regulations (collectively, "Other Pharma Revenue"). Such laws and regulations, as well as ESI's contracts with pharmaceutical manufacturers, generally prohibit ESI from sharing any such "bona fide service fees" earned by ESI, whether wholly or in part, with any ESI client.

"Set-Up Forms" means any standard ESI document or form, which when completed and signed by Sponsor (electronic communications from Sponsor indicating Sponsor's approval of a Set-Up Form shall satisfy the foregoing), will describe the essential benefit elements and coverage rules adopted by Sponsor for its Plan.

"Specialty Product List" means the standard list of Specialty Products and their reimbursement rates applicable to Sponsor under the applicable (exclusive or open) option maintained and updated by ESI from time to time. The Specialty Product List is available to Sponsor upon request.

"Specialty Products" means those injectable and non-injectable drugs on the Specialty Product List. Specialty Products, which may be administered by any route of administration, are typically used to treat chronic or complex conditions, and typically have one or more of several key characteristics, including frequent dosing adjustments and intensive clinical monitoring to decrease the potential for drug toxicity and increase the probability for beneficial treatment outcomes; intensive patient training and compliance assistance to facilitate therapeutic goals; limited or exclusive product availability and distribution (if a drug is only available through limited specialty pharmacy distribution it is always considered a Specialty Product); specialized product handling and/or administration requirements.

"Subrogation Claim" means subrogation claims submitted by any state or a person or entity acting on behalf of a state under Medicaid or similar United States or state government health care programs, for which Sponsor is deemed to be the primary payor by operation of applicable federal or state laws.

"UM Company" means MCMC, LLC or other independent third party utilization management company contracted by ESI, subject to and as further described in Sections 2.3 (d) and (e).

"Usual and Customary Price" or "U&C" means the retail price charged by a Participating Pharmacy for the particular drug in a cash transaction on the date the drug is dispensed as reported to ESI by the Participating Pharmacy.

"Vaccine Claim" means a claim for a Covered Drug which is a vaccine.

"Vendor Transaction Fee" means the data interchange fee that ESI is charged by its third party vendor to convert Vaccine Claims submitted electronically by physicians to NCPDP 5.1 format in order for ESI to process the claim.

ARTICLE II - PBM SERVICES

2.1 Eligibility/Set Up. Sponsor will submit completed Set-Up Forms and Eligibility Files (initial and updated) on a mutually determined basis, which ESI will accurately implement. Changes to the Set-Up Forms must be documented on ESI's standard amendment forms. Eligibility performed manually by ESI for Sponsor, or material changes to the Eligibility File processes requested by Sponsor during the term may be subject to additional fees set forth on Exhibit A. Sponsor will be responsible for all Prescription Drug Claims during the period of the Member's eligibility as indicated on the Eligibility File including for retroactively termed Members, except in the event of ESI's negligence.

2.2 Pharmacy Network.

(a) Participating Pharmacies. ESI will maintain a network(s) of Participating Pharmacies as identified in Exhibit A, and will make available an updated list of Participating Pharmacies on-line. ESI maintains multiple networks and subnetworks, and periodically consolidates networks or migrates clients to other networks and subnetworks. If, due to an access concern, Sponsor requests that ESI attempt to add a particular retail pharmacy to the network of Participating Pharmacies serving Sponsor and its Members hereunder, ESI will make commercially reasonable efforts to add any such pharmacy to the Participating Pharmacy network for Sponsor, provided that such pharmacy meets ESI's network participation requirements and agrees to ESI's standard terms and conditions. If any such pharmacy meets ESI's network participation requirements and agrees to ESI's standard terms and conditions except for ESI's standard network rates (i.e., the particular pharmacy will only agree to higher than standard reimbursement rates), and Sponsor nevertheless requests that ESI add such pharmacy, the rate charged to Sponsor for Prescription Drug Claims processed through such pharmacy (assuming ESI agrees to contract with such pharmacy) will be the net ingredient cost plus the dispensing fee paid by ESI to such Participating Pharmacy (plus applicable sales or excise tax or other governmental surcharge, if any). All such Prescription Drug Claims will be excluded from the pricing guarantees set forth in Exhibit A.

(i) ESI will require each Participating Pharmacy to meet ESI's network participation requirements, including but not limited to licensure, insurance and provider agreement requirements. ESI also provides a standard suite of pharmacy audit services to determine Participating Pharmacies' compliance with their provider agreement billing requirements. ESI will attempt recovery of identified overpayments through offset, demand or other reasonable means; provided that ESI will not be required to institute litigation. Recovered overpayments are credited to Sponsor. Copies of participation requirements and auditing processes are available upon request.

(ii) ESI does not direct or exercise any control over the Participating Pharmacies or the professional judgment exercised by any pharmacist in dispensing prescriptions or otherwise providing pharmaceutical related services at a Participating Pharmacy. ESI shall have no liability to Sponsor, any Member or any other person or entity for any act or omission of any Participating Pharmacy or it agents or employees.

(b) Mail Service Pharmacy. Members may have prescriptions filled through the Mail Service Pharmacy. Subject to applicable law, ESI may communicate with Members regarding benefit design, cost savings, availability and use of the Mail Service Pharmacy, as well as provide supporting services. ESI may suspend Mail Service Pharmacy services to a Member who is in default of any Copayment amount due ESI.

(c) Specialty Products and ASES. As elected by Sponsor on the Set-Up Forms, Members may have prescriptions filled through ESI Specialty Pharmacy on an exclusive basis (i.e., "ESI Specialty Pharmacy –

Exclusive Care") or at Participating Pharmacies and through ESI Specialty Pharmacy (i.e., "ESI Specialty Pharmacy – Open Care"). Subject to applicable law, ESI and ESI Specialty Pharmacy may communicate with Members and physicians to advise Members filling Specialty Products at Participating Pharmacies of the availability of filling prescriptions through ESI Specialty Pharmacy. Specialty Products will be excluded from any price guarantees set forth in the Agreement. In no event will the Mail Service Pharmacy or Participating Pharmacy pricing specified in the Agreement apply to Specialty Products.

(i) ESI will notify Sponsor no more frequently than monthly of new Specialty Products that are introduced to the market on or after the Effective Date of this Agreement with their applicable reimbursement rates ("Notice"). The parties agree as follows:

(A) If Sponsor has expressly excluded a specific therapy class or product on a Set-Up Form, Specialty Products in such excluded classes will automatically be deemed excluded from coverage and will reject as "NDC Not Covered" through Participating Pharmacies, Mail Service Pharmacy and ESI Specialty Pharmacy; otherwise, subject to (B) below, all other Specialty Products will be implemented as Covered Drugs at the rate specified in the applicable Specialty Drug list or Notice. If Sponsor desires to cover otherwise excluded Specialty Products, Sponsor must notify ESI in writing that it desires to cover the Specialty Product before ESI will adjudicate as a Covered Drug, and if ESI receives such confirmation of coverage from Sponsor such Specialty Product will be loaded thereafter as a Covered Drug at the applicable reimbursement rate set forth in the Notice.

(B) Sponsor must notify ESI in writing if it wants to exclude the Specialty Product from coverage. The exclusion will be implemented within seven (7) business days after the date of ESI's receipt of such notification. There will not be any retroactive denials for Prescription Drug Claims processed prior to ESI's receipt of the rejection notice and implementation of the exclusion as provided above and Sponsor will be responsible for the payment of such Prescription Drug Claims processed prior to the rejection of coverage.

(ii) For Specialty Products filled through ESI Specialty Pharmacy only, Members may receive the following services from ESI Specialty Pharmacy, depending on the particular therapy class or disease state: ASES; patient intake services; pharmacy dispensing services and/or social services (patient advocacy, hardship reimbursement support, and indigent and patient assistance programs).

(iii) Subject to Sponsor's prior authorization requirements, if applicable, at the rates set forth in Exhibit A, ESI will provide or coordinate ASES for Members through ESI Specialty Pharmacy or through other specialty pharmacies or other independent third party providers of ASES when ASES is required. If ESI or ESI Specialty Pharmacy engages a third party provider of ASES, ESI or ESI Specialty Pharmacy shall contractually obligate such third party provider of ASES to comply with all applicable laws, including, without limitation, all applicable laws relating to professional licensure. ESI does not direct or exercise any control over any third party provider of ASES in administering Specialty Products or otherwise providing ASES.

(iv) If Sponsor elects the ESI Specialty Pharmacy - Open Care option, then any ancillary supplies, equipment, and services provided or coordinated in connection with the dispensing of Specialty Products at Participating Pharmacies (for example, limited distribution products not then available through ESI Specialty Pharmacy or overrides) will be billed to Sponsor at the cost charged to ESI for such ancillary supplies, equipment, and services provided or coordinated, unless such ancillary supplies, equipment, and services provided or coordinated are included in the ingredient cost of the Specialty Product.

2.3 Claims Processing.

(a) Claims Processing.

(i) ESI will perform claims processing services for Covered Drugs dispensed by Participating Pharmacies, Mail Service and ESI Specialty Pharmacy.

(ii) In connection with each prescription submitted for processing on-line by a Participating Pharmacy, ESI will perform standard drug utilization review ("DUR") in order to assist the dispensing

pharmacist and prescribing physician in identifying potential drug interactions, incorrect prescriptions or dosages, and certain other circumstances that may be indicative of inappropriate prescription drug usage. ESI's DUR processes are not intended to substitute for the professional judgment of the prescriber, the dispensing pharmacist or any other health care professional providing services to the Member.

(iii) If elected by Sponsor, ESI will process Member Submitted Claims in accordance with the rules in the Set-Up Forms and ESI's standard procedures.

(iv) If authorized by Sponsor on the Set-Up Forms, ESI will process Subrogation Claims in accordance with applicable federal and state laws, in which case Sponsor will pay such Subrogation Claims in accordance with Article III and Exhibit A. If Sponsor does not authorize ESI to process Subrogation Claims, ESI will reject the claim and refer claimants to Sponsor regarding such claims, in accordance with applicable federal and state laws. ESI is not legally responsible to pay Subrogation Claims to the extent Sponsor is not timely paying ESI with respect to such Subrogation Claims.

(v) Sponsor or its third party designee (as applicable) will have the final responsibility for all decisions with respect to coverage of a Prescription Drug Claim and the benefits allowable under the Plan, including determining whether any rejected or disputed claim will be allowed.

(b) Prior Authorization. For the fees set forth in the Clinical Addendum described in Exhibit A-2 (if applicable), ESI will provide prior authorization ("PA") services as specified and directed by Sponsor for drugs designated on the Set-Up Form. Prior authorized drugs must meet Sponsor-approved guidelines ("Guidelines") before they are deemed to be Covered Drugs. Unless Sponsor otherwise directs, Sponsor hereby authorizes coverage for an otherwise excluded use in the event of co-morbidities, complications and other factors not otherwise expressly set forth in the Guidelines. In determining whether to authorize coverage of such drug under the PA Program, ESI will apply only the Guidelines and may rely entirely upon information about the Member and the diagnosis of the Member's condition provided to it from the prescriber. ESI will not undertake to determine medical necessity, make diagnoses or substitute ESI's judgment for the professional judgment and responsibility of the prescriber.

(c) Claims for Benefits. ESI will process initial "claims for benefits" for Member Submitted Claims and PA requests consistent with the ERISA claims rules set forth in 29 CFR Part 2560 (or applicable state law if a non-ERISA plan) ("Claims Rules"). Sponsor may elect to have ESI perform appeals services in connection with denied "claims for benefits" for the fees set forth in Exhibit A, or facilitate such services through Sponsor or a third party of Sponsor's choice. If Sponsor elects to conduct its own appeals or facilitate through a third party of Sponsor's choice, ESI will route Member appeals to Sponsor or other Sponsor designated entity. If Sponsor elects to have ESI perform appeals services, Sponsor agrees that ESI may perform such services through the UM Company. Through its contract with ESI, the UM Company has agreed to be, and will serve as, the named fiduciary for its performance of such appeals. ESI also agrees to accept fiduciary status solely with respect to its performance of any appeal.

(d) UM Company. In the event ESI performs appeals services, or facilitates the performance of appeals services through the UM Company, ESI or the UM Company, as applicable, will be responsible for conducting the appeal on behalf of Sponsor in accordance with the Claims Rules. ESI represents to Sponsor that UM Company has contractually agreed that: (A) UM Company will conduct appeals in accordance with the Claims Rules and Sponsor's plan, (B) Sponsor is a third party beneficiary of UM Company's agreement with ESI (a copy of which is available upon request) and the remedies set forth therein, and (C) UM Company will indemnify Sponsor for third party claims caused by the UM Company's negligence or willful misconduct in providing the appeal services.

(e) External Review Services.

ESI will not conduct any external review services (as defined in the Patient Protection and Affordable Care Act of 2010 and its implementing regulations ("PPACA")); provided, however, Sponsor may elect to have UM Company facilitate the provision of external review services through UM company contracted IROs (as such term is defined in PPACA), for the fees set forth on Exhibit A below (if applicable). Sponsor must execute a standard ESI "External Appeals Services" Set-Up Form, which may be requested through ESI Account Management, in order to receive such services from UM Company.

In the event that Sponsor elects to utilize UM Company to facilitate the provision of external review services through UM Company contracted IROs, UM Company will be responsible for facilitating all such appeals (and the IROs will be responsible for providing all such appeals) in accordance with PPACA and all other applicable federal and state laws, and Sponsor hereby acknowledges and agrees that:

(i) UM Company (with respect to facilitating the external reviews) and the IROs (with respect to performing the external reviews), and not ESI, will be providing external review services; UM Company is an independent contractor of ESI; the IROs are independent contractors of UM Company and not ESI; and ESI does not in any way control or direct either UM Company or the IROs with respect to facilitation or performance of external review services provided by each respectively.

(ii) ESI represents to Sponsor that UM Company has contractually agreed that: (A) UM Company will facilitate all external review services in accordance with PPACA and all other applicable federal and state laws; (B) UM Company will contractually require its contracted IROs to perform all external reviews in accordance with PPACA and all other applicable federal and state laws; (C) to the extent not prohibited by law, UM Company will indemnify, defend and hold Sponsor harmless from and against any and all losses, damages, injuries, causes of action, claims, demands and expenses (including reasonable attorney's fees, costs and expenses), arising out of, resulting from, or related to any act, omission or default by the IROs in their performance of the external reviews; and (D) Sponsor has third party beneficiary rights to enforce the preceding indemnification and hold harmless provision.

(f) Call Center. ESI will provide 24-hours a day, 7-days a week toll-free telephone, IVR and Internet support to assist Sponsor, Sponsor's agents and Members with Member eligibility and benefits verification, location of Participating Pharmacies or other related Member concerns.

2.4 Formulary Support and Rebate Management.

(a) Formulary Adherence and Clinical Programs. ESI may provide clinical, safety, adherence, and other like programs as appropriate. The Clinical Addendum described in Exhibit A-2 sets forth certain available adherence, clinical, safety and/or trend programs that require additional fees hereunder. ESI will not implement any program for which Sponsor may incur an additional fee without Sponsor's prior written approval and election of such program.

(b) Rebate Program. Subject to the remaining terms of this Agreement, ESI will pay to Sponsor the amounts set forth on Exhibit A.

2.5 Program Operations.

(a) Reporting. ESI will make available to Sponsor ESI's on-line standard management information reporting applications. Upon Sponsor's request, ESI may develop special reporting packages or perform custom programming at ESI's standard hourly rate for such services, as set forth in Exhibit A.

(b) Claims Data.

(i) Claims Data Retention. ESI will retain Sponsor's claims data for a total of ten (10) years from the date the prescription is filled. Thereafter ESI will dispose of such data in accordance with its standard policies and practices and applicable state and federal law. Disposition of PHI shall be in accordance with the Business Associate Agreement.

(ii) Claims Data to Vendors. Upon Sponsor's written request and at no additional charge, ESI will provide regular prescription claims data in ESI's standard format(s) to Sponsor's vendors ("Vendors") for disease management, flexible savings account and other "payment," "treatment" and "healthcare operations" purposes (as defined under HIPAA). Requests for retrieval of data beyond thirty (30) months are subject to the hourly custom programming charge set forth in Exhibit A.

(iii) De-Identified Claims Data. ESI or its affiliates may use and disclose both during and after the term of this Agreement the anonymized claims data (de-identified in accordance with HIPAA) including drug and related medical data collected by ESI or provided to ESI by Sponsor for research; provider profiling; benchmarking, drug trend, and cost and other internal analyses and comparisons; clinical, safety

and/or trend programs; ASES; or other business purposes of ESI or its affiliates, in all cases subject to applicable law.

(c) Sponsor Audits. Provided that this Agreement has been duly executed by Sponsor and Sponsor is current in the payment of invoices under this Agreement, Sponsor may, upon no less than thirty (30) days prior written request, audit ESI's provision of services hereunder, the scope of which shall be to verify compliance with the financial terms of this Agreement, on an annual basis consistent with the Audit Protocol set forth in Exhibit B. Sponsor may use an independent third party auditor ("Auditor"), so long as such Auditor is not engaged in providing services for Sponsor or otherwise that conflict with the scope or independent nature of the audit (as determined by ESI acting reasonably and in good faith), and provided that Sponsor's Auditor executes a mutually acceptable confidentiality agreement. Any request by Sponsor to permit an Auditor to perform an audit will constitute Sponsor's direction and authorization to ESI to disclose PHI to the Auditor.

(d) Performance Standards. ESI will conform to the performance standards set forth on Exhibit E hereto. The payments set forth in Exhibit E will be Sponsor's sole monetary remedy for any failure by ESI to meet a performance standard in addition to any correction or reimbursement associated with payment or billing errors.

2.6 Pharmacy Management Funds ("PMF").

(a) ESI will provide up to $4.00 per Member implemented as of the Effective Date, to reimburse the actual, fair market value of: (i) expense items and services related to transitioning, administering, and implementing the pharmacy benefit initially and throughout the term, such as, custom ID Cards, IT programming, custom formulary letters, member communications, and benefit set-up quality assurance; and/or (ii) mutually agreed upon expense items and services related to implementation of additional clinical or other similar programs provided by ESI throughout the Term; in either case subject to submission of adequate documentation to support reimbursement within 180 days of incurring the applicable expense. Both Sponsor and ESI (upon agreement from Sponsor) may use the PMF to cover the fair market value of expenses for projects requiring joint resources. All reimbursement under the PMF is subject to ESI's standard PMF business practices for all clients.

(b) Sponsor represents and warrants that: (i) it will only request reimbursement under the PMF for its actual expenses incurred in transitioning, administering, and implementing the pharmacy benefit managed by ESI hereunder, and/or the additional clinical or other similar program provided by ESI throughout the Term; (ii) that the applicable service, item or program was actually performed or provided; (iii) the amount of the reimbursement is equal to or less than the reasonable fair market value of the actual expenses incurred by Sponsor; (iv) it will notify and disclose the amount and the terms of any PMF reimbursements to Members and other third parties to the extent required by applicable laws and regulations. In addition, if the Sponsor and the Plan are subject to ERISA, Sponsor represents and warrants that it will only request reimbursement under the PMF for items or services for which Sponsor, in the absence of the PMF, would be allowed reimbursement from the Plan (i.e., not "settlor functions").

(c) Sponsor shall comply with all applicable federal and state requirements, including, but not limited to, all applicable federal and state reporting requirements with respect to any expense, item or service reimbursed under this Section 2.6. ESI reserves the right to periodically audit the books and records of Sponsor on-site, during normal business hours and after giving reasonable advance notice, for the purposes of verifying Sponsor's compliance with the PMF requirements set forth in this Agreement.

(d) ESI intends to amortize the PMF over the Initial Term of the Agreement on a straight-line basis. In the event of a termination of this Agreement for any reason other than ESI's uncured material breach prior to the expiration of the Initial Term, Sponsor will reimburse ESI an amount equal to any paid but unamortized portion of the PMF. Reimbursement to ESI by Sponsor pursuant to this Section will not be in lieu of any other rights or remedies ESI may have in connection with the termination of this Agreement, including monetary or other damages. PMF reimbursements shall not be paid prior to the Effective Date of this Agreement and are not payable until this Agreement is executed. Sponsor will have no right to interest on, or the time value of, any PMF, and unused funds shall be retained by ESI.

ARTICLE III - FEES; BILLING AND PAYMENT

3.1 Fees. In consideration of the PBM Services provided by ESI, Sponsor will pay the applicable claims reimbursement amounts ("Claims Reimbursements") and other administrative fees ("Administrative Fees")

pursuant to the terms set forth on Exhibit A ("Claims Reimbursements," "Administrative Fees" and any other charge or fee that is the responsibility of Sponsor as may be described elsewhere in this Agreement are hereinafter referred to collectively as "Fees"). ESI may use any excess achieved in any guarantee offered pursuant to this Agreement to make up for, and offset, a shortfall in any other guarantee set forth in this Agreement.

3.2 Billing and Payment.

(a) Billing. ESI will invoice Sponsor bi-weekly for all applicable Fees.

(b) Payment. Sponsor will pay ESI by wire, ACH transfer or pre-authorized debit within two (2) days from the date of Sponsor's receipt of each ESI invoice. Sponsor will be responsible for all costs of collection, and agrees to reimburse ESI for such costs and expenses, including reasonable attorneys' fees. All amounts not paid by the due date thereof will bear interest at the rate of 1.5% per month or, if lower, the highest interest rate permitted by law. In addition to any rights under Section 6.2, ESI may apply Rebate amounts otherwise owed to Sponsor against any unpaid Fees.

(c) Deposit. If, at any time: (i) Sponsor has two or more invoices past due and outstanding, or (ii) ESI has reasonable grounds to believe Sponsor may be delinquent in payment of fees based on Sponsor's financial data (e.g., persistent negative cash flow, bankruptcy or insolvency), ESI may require that the Sponsor provide to ESI a deposit in an amount equal to the average of the last three (3) months of billing history as the basis for determining the one (1) month deposit amount or, if three (3) months billing history is not available, the most recent month of billing history as the basis. ESI will retain the deposit until the earlier of termination of this Agreement (following any run-off period), or six (6) consecutive months of timely payments of all Fees following submission of the deposit, and may apply the deposit to delinquent fees until return of the deposit.

ARTICLE IV – HIPAA; CONFIDENTIAL INFORMATION

4.1 HIPAA. The parties agree that as relates to use and disclosure of PHI, electronic transaction standards and security of electronic PHI under the Health Insurance Portability and Accountability Act of 1996, as amended, they are subject to the terms of the Business Associate Agreement set forth in Exhibit C. Notwithstanding the foregoing, the parties acknowledge that in providing services to Members, ESI Specialty Pharmacy and the Mail Service Pharmacy are acting as separate health care provider covered entities under HIPAA and not as business associates to the Plan covered by the Business Associate Agreement. In providing services, ESI Specialty Pharmacy and the Mail Services Pharmacy shall abide by all HIPAA requirements applicable to covered entities and shall safeguard, use and disclose Member PHI accordingly.

4.2 Confidential Information.

(a) Each party agrees that the terms of this Agreement and information of the other party, including, but not limited to the following, will constitute confidential and proprietary information ("Confidential Information"): (i) with respect to ESI: ESI's reporting and other web-based applications, eligibility and adjudication systems, system formats and databanks (collectively, "ESI's Systems"), clinical or formulary management operations or programs, fraud, waste and abuse tools and programs, anonymized claims data (de-identified in accordance with HIPAA); ESI Specialty Pharmacy and Mail Service Pharmacy data; information and contracts relating to Rebates and Manufacturer Administrative Fees, prescription drug evaluation criteria, drug pricing information, and Participating Pharmacy agreements; and (ii) with respect to Sponsor: Sponsor and Member identifiable health information and data, Eligibility Files, Set-Up Form information, business operations and strategies. Neither party will use the other's Confidential Information, or disclose it or this Agreement to any third party (other than Sponsor attorneys and accountants), at any time during or after termination of this Agreement, except as specifically contemplated by this Agreement or upon prior written consent, which will not unreasonably be withheld. Upon termination of this Agreement, each party will cease using the other's Confidential Information, and all such information will be returned or destroyed upon the owner's direction. Confidential Information does not include information which is or becomes generally available to the public; was within the recipient's possession or knowledge prior to its being furnished to the recipient pursuant to this Agreement, or is independently developed by the recipient under circumstances not involving a breach of this Agreement.

(b) Sponsor will not, and will not permit any third party acting on Sponsor's behalf to, access, attempt to access, test or audit ESI's Systems or any other system or network connected to ESI's Systems. Without limiting the foregoing, Sponsor will not: access or attempt to access any portion or feature of ESI's Systems, by

circumventing ESI's Systems access control measures, either by hacking, password "mining" or any other means; or probe, scan, audit or test the vulnerability of ESI's Systems, nor breach the security or authentication measures of ESI's Systems.

ARTICLE V - COMPLIANCE WITH LAW; FIDUCIARY ACKNOWLEDGEMENTS; FINANCIAL DISCLOSURE

5.1 Compliance with Law; Change in Law. Each party shall be responsible for ensuring its compliance with any laws and regulations applicable to its business, including maintaining any necessary licenses and permits. Sponsor shall be responsible for any governmental or regulatory charges and taxes imposed upon or related to the services provided hereunder. With respect to any Plan that is subject to the provisions of ERISA, the Sponsor or the plan sponsor shall ensure that its activities in regard to such program are in compliance with ERISA, and shall be responsible for disclosing to Members any and all information relating to the Plan and this Agreement as required by law to be disclosed, including any information relating to Plan coverage and eligibility requirements, commissions, rebates, discounts, or provider discounts referred to in Section 5.3 hereof. If there is a new or change in federal or state laws or regulations or the interpretation thereof, or any government, judicial or legal action that, among other things, materially burdens ESI, requires ESI to increase payments or shorten payment times for Covered Drugs to Participating Pharmacies, or materially changes the scope of services hereunder (a "Change in Law"), then there shall be an appropriate modification of the services, reimbursement rates, Administrative Fees and/or Rebates hereunder. If the parties cannot agree on a modification or adjusted fee or rates, then either party may terminate the Agreement on thirty (30) days prior written notice to the other.

5.2 Fiduciary Acknowledgements. ESI offers pharmacy benefit management services, products and programs ("PBM Products") for consideration by all clients, including Sponsor. The general parameters of the PBM Products, and the systems that support these products, have been developed by ESI as part of ESI's administration of its business as a PBM. The parties agree that they have negotiated the financial terms of this Agreement in an arm's-length fashion. Sponsor acknowledges and agrees that, except for the limited purpose set forth in Section 2.3(c), neither it nor the Plan intends for ESI to be a fiduciary (as defined under ERISA or state law) of the Plan, and, except for the limited purpose as set forth in Section 2.3(c), neither will name ESI or any of ESI's wholly-owned subsidiaries or affiliates as a "plan fiduciary." Sponsor further acknowledges and agrees that neither ESI nor any of ESI's wholly-owned subsidiaries or affiliates: (a) have any discretionary authority or control respecting management of the Plan's prescription benefit program, except as set forth in Section 2.3(c), or (b) exercise any authority or control respecting management or disposition of the assets of the Plan or Sponsor. Sponsor further acknowledges that all such discretionary authority and control with respect to the management of the Plan and plan assets is retained by Sponsor or the Plan. Upon reasonable notice, ESI will have the right to terminate PBM Services to any Plan (or, if applicable, Members) located in a state requiring a pharmacy benefit manager to be a fiduciary to Sponsor, a Plan, or a Member in any capacity.

5.3 Disclosure of Certain Financial Matters. In addition to the Administrative Fees paid to ESI by Sponsor, ESI and ESI's wholly-owned subsidiaries or affiliates derive revenue in one or more of the ways as further described in the Financial Disclosure to ESI PBM Clients set forth in Exhibit D hereto ("Financial Disclosure"), as updated by ESI from time to time. Unlike the Administrative Fees, the revenues described in the Financial Disclosure are not direct or indirect compensation to ESI from Sponsor for services rendered to Sponsor or the Plan under this Agreement. In negotiating any of the fees and revenues described in the Financial Disclosure or in this Agreement, ESI and ESI's wholly-owned subsidiaries and affiliates act on their own behalf, and not for the benefit of or as agents for Sponsor, Members or the Plan. ESI and ESI's wholly-owned subsidiaries and affiliates retain all proprietary rights and beneficial interest in such fees and revenues described in the Financial Disclosure and, accordingly, Sponsor acknowledges that neither it, any Member, nor the Plan, has a right to receive, or possesses any beneficial interest in, any such fees or revenues; provided, that ESI will pay Sponsor amounts equal to the amounts expressly set forth on Exhibit A.

ARTICLE VI - TERM AND TERMINATION; DEFAULT AND REMEDIES

6.1 Term.

(a) This Agreement will commence effective October 1, 2016 ("Effective Date"), and will continue for a period of three (3) years and three (3) months, until December 31, 2019 ("Initial Term"), and may be terminated earlier or extended in accordance with the terms of Section 6.2 below. Thereafter, this Agreement will automatically renew with the same terms and conditions as set forth herein for successive one (1) year renewal terms, subject to the right of termination as otherwise provided herein.

(b) Not less than ninety (90) days prior to the end of the Initial Term or any renewal term of this Agreement either party may notify the other party in writing that it desires to terminate this Agreement effective as of the end of the then current term.

(c) Market Check. Following the initial 27 months of this Agreement (but not before), Coalition or its designee may provide ESI with a written comparison, prepared by an independent pharmacy benefit management consultant, for pharmacy benefit management services offered by a third party PBM provider which includes and takes into account similar plan design, Formulary, clinical and trend programs, retail pharmacy, mail pharmacy, and specialty pharmacy mix and utilization, demographics and other relevant factors necessary to provide an appropriate comparison ("Coalition's Current Market Price"). Coalition's Current Market Price will be measured on the basis of a total, aggregate comparison of the pricing terms offered by a single vendor to a single plan, and not on the basis of individual or best price points available from multiple vendors to a single plan or a single vendor to multiple plans. A copy Coalition's Current Market Price analysis prepared by the consultant will be submitted to both Coalition and to ESI. The consultant will also provide a reasonably detailed description of the methods and assumptions used in the analysis including the methods and assumptions related to the calculation of the individual pricing components and the Net Plan Costs, as defined below. At ESI's request, Coalition or Coalition's consultant will provide ESI with a list of specific, individual clients (on a blinded basis to address confidentiality restraints) used for the comparison that will show, on an individual client basis, a comparison of each of the plan design and other factors outlined above. ESI shall have a reasonable opportunity (i.e., not less than ten (10) business days) to evaluate Coalition's Current Market Price. If the comparison analysis concludes that Coalition's Current Market Price would yield an annual three percent (3%) or more savings of "Net Plan Costs" (with Net Plan Costs defined as the sum of the cost of Covered Drugs, dispensing fees, and claims Administrative Fees, less Rebates received by Coalition) under the Agreement, then the parties shall negotiate in good faith a modification of the pricing terms herein. The revised pricing terms will become effective on the first day of the contract year following the issuance of the report or sixty (60) days following a fully executed amendment or agreement memorializing the revised pricing terms, whichever is later. The market check shall be at Coalition's expense, except that ESI shall be responsible for its costs related to responding to the market check.

6.2 Termination.

(a) Without Cause. Following the initial twelve (15) months of this Agreement (but not before), either party may terminate this Agreement for any reason or for no reason upon ninety (90) days prior written notice of such termination to the other party.

(b) Breach or Default. Either party may give the other written notice of a material, substantial and continuing breach of this Agreement. If the breaching party has not cured said breach within thirty (30) days from the date such notice was sent, this Agreement may be terminated at the option of the non-breaching party. If the amount of time commercially reasonable for the breach to be cured is longer than thirty (30) days, this Agreement may not be terminated by the non-breaching party pursuant to this provision until such commercially reasonable period of time has elapsed; provided, however, that in no event will such period exceed sixty (60) days.

(c) Non-Payment. Notwithstanding anything to the contrary herein, ESI (and its wholly-owned subsidiaries) may terminate or suspend their performance hereunder and cease providing or authorizing provision of Covered Drugs to Members upon forty-eight (48) hours written notice if Sponsor fails to pay ESI or provide a deposit, if required, in accordance with the terms of this Agreement. ESI attempts collection through written and verbal communications with Sponsor prior to sending the notice described herein.

(d) Obligations Upon Termination. Upon notice of termination of this Agreement, the parties will mutually develop a run-off plan providing for: (i) Sponsor notification to Members of the timing of any transition to a successor pharmacy benefit manager at least thirty (30) days prior to the effective date of such termination; (ii) ESI provision of open Mail Service Pharmacy refill files and standard claims data and PA files for transition to the successor pharmacy benefit manager in accordance with then existing industry protocol; and (iii) whether Sponsor elects for ESI to process Participating Pharmacy or Member Submitted Claims for prescriptions filled during the Term but filed with ESI after the effective date of termination ("Termination Date"). Sponsor will continue to pay ESI in accordance with this Agreement for any Fees for PBM Services provided during the term and any run-off period. ESI will continue filing for Rebates for claims incurred prior to the Termination Date and will, subject to final reconciliation of any outstanding amounts owed by Sponsor to ESI, pay Sponsor Rebates for such claims in accordance with the Rebate payment schedule set out herein. Notwithstanding anything in this Agreement to the

contrary, ESI shall not be obligated to provide post-transition services following the transition to the successor pharmacy benefit manager and conclusion of the run-off period, including, but not limited to, the provision of continued data reporting, reporting, consultation, or analysis.

6.3 Remedies.

(a) Remedies Not Exclusive. A party's right to terminate this Agreement under Article VI will not be exclusive of any other remedies available to the terminating party under this Agreement or otherwise, at law or in equity.

(b) Force Majeure. Neither party will lose any rights under this Agreement or be liable in any manner for any delay to perform its obligations under this Agreement that are beyond a party's reasonable control, including, without limitation, any delay or failure due to riots, earthquakes, storms, floods or other extreme weather conditions, fires, acts of terrorism, epidemics, embargoes, war or other outbreak of hostilities, government acts or regulations, the failure or inability of carriers, suppliers, or telecommunications providers to provide services necessary to enable a party to perform its obligations hereunder, or any other reason where failure to perform is beyond the party's reasonable control, and is not caused by the negligence, intentional conduct or misconduct of the defaulting party; *provided, however*, that this clause may not be invoked to excuse a party's payment obligations hereunder. ESI represents that it maintains and continually updates a business continuity plan designed to mitigate any disruption to the services provided by ESI under this Agreement.

(c) Limitation of Liability. Except for the indemnification obligations set forth in Section 6.3(d), each party's liability to the other hereunder will in no event exceed the actual proximate losses or damages caused by breach of this Agreement. In no event will either party or any of their respective affiliates, directors, employees or agents, be liable for any indirect, special, incidental, consequential, exemplary or punitive damages, or any damages for lost profits relating to a relationship with a third party, however caused or arising, whether or not they have been informed of the possibility of their occurrence.

(d) Indemnification.

(i) In addition to any indemnification obligations set forth in the Business Associate Agreement, ESI will indemnify and hold Sponsor harmless from and against any loss, cost, damage, expense or other liability, including, without limitation, reasonable costs and attorney fees ("Costs") incurred in connection with any and all third party claims, suits, investigations or enforcement actions ("Claims") which may be asserted against, imposed upon or incurred by Sponsor and arising as a result of (A) ESI's negligent acts or omissions or willful misconduct (including those of the Mail Service Pharmacy and ESI Specialty Pharmacy), or (B) ESI's breach of this Agreement.

(ii) Sponsor will indemnify and hold ESI harmless from and against any Costs for Claims which may be asserted against, imposed upon or incurred by ESI and arising as a result of (A) Sponsor's negligent acts or omissions or willful misconduct, benefit design and coverage decisions, or breach of this Agreement, or (B) any improper use Sponsor, an Auditor or Vendor may make of PHI or ESI System access provided to such party.

(iii) As a condition of indemnification, the party seeking indemnification will notify the indemnifying party in writing promptly upon learning of any Claim for which indemnification may be sought hereunder, and will tender the defense of such claim to the indemnifying party. No party will be obligated to indemnify the other with respect to any claim settled without the written consent of the other.

6.4 Survival. The parties' rights and obligations under the Sections 2.5, Articles III, IV and V; and Sections 6.2(d), 6.3, 6.4, 7.2, 7.3, 7.4 and 7.6 will survive the termination of this Agreement for any reason.

ARTICLE VII – MISCELLANEOUS

7.1 Liability Insurance. Each party will maintain such policies of general liability, professional liability and other insurance of the types, including self-insurance, and in amounts customarily carried by their respective businesses. Proof of such insurance will be available upon request. ESI agrees, at its sole expense, to maintain during the term of this Agreement or any renewal hereof, commercial general liability insurance, pharmacists professional liability insurance for the Mail Service and ESI Specialty Pharmacy pharmacies, and managed care

liability with limits, excess of a self-insured retention, in amounts of not less than $5,000,000 per occurrence and in the aggregate. ESI does not maintain liability insurance on behalf of any Participating Pharmacy, but does contractually require such pharmacies to maintain a minimum amount of commercial liability insurance or, when deemed acceptable by ESI, to have in place a self-insurance program.

7.2 Notice. Any notice or document required or permitted to be delivered pursuant to this Agreement must be in writing and will be deemed to be effective upon mailing and must be either (a) deposited in the United States Mail, postage prepaid, certified or registered mail, return receipt requested, or (b) sent by recognized overnight delivery service, in either case properly addressed to the other party at the address set forth below, or at such other address as such party will specify from time to time by written notice delivered in accordance herewith:

Express Scripts, Inc.
Attn: President
One Express Way
St. Louis, Missouri 63121
With copy to Legal Department
Fax No. (800) 417-8163

City of Bridgeport
Attn: Rich Weiner
45 Lyon Terrace
Bridgeport, Connecticut 06604

7.3 Independent Parties. No provision of this Agreement is intended to create or will be construed to create any relationship between ESI and Sponsor other than that of independent entities contracting with each other solely for the purpose of effecting the provisions of this Agreement. Neither party, nor any of their respective representatives, will be construed to be the partner, agent, fiduciary, employee, or representative of the other and neither party will have the right to make any representations concerning the duties, obligations or services of the other except as consistent with the express terms of this Agreement or as otherwise authorized in writing by the party about which such representation is asserted.

7.4 Assignment and Subcontracting. Sponsor may assign this Agreement upon first obtaining ESI's written consent, which consent will not be unreasonably withheld following a standard credit review of the proposed assignee. Sponsor acknowledges and agrees that ESI may perform certain services hereunder (e.g., mail service pharmacy and specialty pharmacy services) through one or more ESI subsidiaries, affiliates, or designees. ESI is responsible and liable for the performance of its subsidiaries and affiliates in the course of their performance of any such service. To the extent that ESI subcontracts any PBM Service under this Agreement to a third party, ESI is responsible and liable for the performance of any such third party. In addition, ESI may contract with third party vendors to provide information technology support services and other ancillary services, which services are not PBM Services hereunder, but rather are services that support ESI's conduct of its business operations. This Agreement will be binding upon, and inure to the benefit of and be enforceable by, the respective successors and permitted assigns of the parties hereto.

7.5 Integration; Amendments. This Agreement and any Exhibits hereto constitute the entire understanding of the parties hereto and supersedes any prior oral or written communication between the parties with respect to the subject matter hereof. If there is a separate Business Associate Agreement between the parties, such an agreement will be incorporated herein for all applicable purposes. No modification, alteration, or waiver of any term, covenant, or condition of this Agreement will be valid unless in writing and signed by the parties or the agents of the parties who are authorized in writing, except as may be otherwise permitted pursuant to the terms and conditions of this Agreement or any Exhibit hereto.

7.6 Choice of Law. This Agreement will be construed and governed in all respects according to the laws in the State of Missouri, without regard to the rules of conflict of laws thereof.

7.7 Waiver. The failure of either party to insist upon the strict observation or performance of this Agreement or to exercise any right or remedy will not be construed as a waiver of any subsequent breach of this Agreement or impair or waive any available right or remedy.

7.8 Trademarks. Each party acknowledges each other party's sole and exclusive ownership of its respective trade names, commercial symbols, trademarks, and service marks, whether presently existing or later established (collectively "Marks"). No party shall use the other party's Marks in advertising or promotional materials or otherwise without the owner's prior written consent.

7.9 Taxes and Assessments. Any applicable sales, use, excise, or other similarly assessed and administered tax, surcharge, or fee imposed on items dispensed, or services provided hereunder, or the fees or revenues generated by the items dispensed or services provided hereunder, or any other amounts ESI or one or more of its subsidiaries or affiliates may incur or be required to pay arising from or relating to ESI's or its subsidiaries' or affiliates' performance of services as a pharmacy benefit manager, third-party administrator, or otherwise in any jurisdiction, will be the sole responsibility of Sponsor or the Member. If ESI is legally obligated to collect and remit, or to incur or pay, any such sales, use, excise, or other similarly assessed and administered tax, surcharge, or fee in a particular jurisdiction, such amount will be reflected on the applicable invoice or subsequently invoiced at such time as ESI becomes aware of such obligation or as such obligation becomes due. ESI reserves the right to charge a reasonable administrative fee for collection and remittance services provided on behalf of Sponsor.

7.10 Third Party Beneficiary Exclusion. This Agreement is not a third party beneficiary contract, nor will this Agreement create any rights on behalf of Members as against ESI. Sponsor and ESI reserve the right to amend, cancel or terminate this Agreement without notice to, or consent of, any Member.

7.11 Authority to Contract. Sponsor hereby represents and warrants that it has obtained due and proper authority to enter into this Agreement through its governing body.

7.12 Open Records Requests. ESI acknowledges that Sponsor, as a government agency, may be subject to applicable freedom of information or open records laws and must, upon request, disclose such materials as are covered by and not exempted from such laws. Pursuant to Section 4.2 hereof, Sponsor acknowledges that certain information contained herein or subject to this Agreement is proprietary and confidential to ESI and shall be exempt from that Act to the fullest extent permitted by law. Sponsor agrees to give ESI notice and the minimum statutory or regulatory period of time to oppose, request redactions or limitations on any disclosures under a third party freedom of information or open records request pertaining to this Agreement or any proposal related hereto. This provision shall survive termination of the Agreement.

7.13 EGWP Addendum. The parties agree to comply with the terms and conditions of the EGWP Addendum attached hereto as Exhibit F.

IN WITNESS WHEREOF, the undersigned have executed this Pharmacy Benefit Management Agreement as of the day and year below set forth.

EXPRESS SCRIPTS, INC.

By:_____

Printed Name: _____

Title:_____

Date:_____

CITY OF BRIDGEPORT

By:_____

Printed Name:_____

Title:_____

Federal ID Number:_____

Date:_____

EXHIBIT A

PHARMACY PROGRAM FEES

ESI shall be Sponsor's exclusive provider of PBM Services for Sponsor's Plans offering a prescription benefit. The financial terms set forth in Exhibit A are conditioned on such exclusive arrangement and all other specified conditions expressly incorporated in such exhibits, including, but not limited to the adoption by Sponsor of the specified network, qualifying co-payment structures, Formulary, a minimum of 49,000 Members implemented on the Effective Date of this Agreement, a minimum of 300 EGWP Members implemented on the Effective Date of this Agreement if Sponsor implements an EGWP Benefit, no Members in a 100% co-payment plan, and no greater than ten percent of total utilization for all Plans attributable to a consumer driven health plan (CDHP). In the event one or more of the following occurs (whether between the date of the Cost Proposal and the Effective Date, or during the Term), ESI will have the right, upon notice, to make an equitable adjustment to the rates, Administrative Fees and/or Rebates, solely as necessary to return ESI to its contracted economic position as of the effective date of such event:

(a) There is a material change in: (i) the conditions or assumptions stated in this Agreement; or (ii) the size, demographics or gender distribution of Sponsor's Membership compared to data provided by Sponsor; and/or

(b) Sponsor changes its Formulary, benefit designs, implements OTC plans, clinical or trend programs or otherwise takes an action that has the effect of lowering the amount of Rebates earned hereunder or materially impacting any guarantee; and/or

(c) Sponsor elects to use on-site clinics or pharmacies to dispense prescription drugs to Members which materially reduces Rebates and/or the number of Covered Drug claims submitted on-line; and/or

(d) More than 5% of claims are incurred in Massachusetts, Hawaii, Alaska, or Puerto Rico; and/or

(e) Rebate revenue is materially decreased due to a Change in Law.

Exhibit A includes the following:

Exhibit A-1

Pharmacy Reimbursement Rates

Exhibit A-2

Administrative and Clinical Program Fees

Exhibit A-3

Rebates – Non-Specialty Products

Exhibit A-4

Rebates – Specialty Products

Exhibit A-1

Pharmacy Reimbursement Rates

Sponsor will pay to ESI the amounts set forth below, net of applicable Copayments. The application of brand and generic pricing below may be subject to certain "dispensed as written" (DAW) protocols and Sponsor defined plan design and coverage policies for adjudication and Member Copayment purposes. Sales or excise tax or other governmental surcharge, if any, will be the responsibility of Sponsor.

A Member's Copayment charged for a Covered Drug will be the lesser of the applicable Copayment, AWP discount or U&C.

I. Participating Pharmacy Reimbursement Rates (Does Not Apply to Specialty Products)

(a) Commercial Rates

Network	ESI National Plus Network	
	(1 – 83 Days Supply)	(84 - 90 Days Supply) [1]
Ingredient Cost - Brand	Lesser of AWP – 18.00% or U&C	Lesser of AWP – 21.50% or U&C
Ingredient Cost – Generic	Lesser of AWP – 18.00%, MRA or U&C	Lesser of AWP – 21.50%, MRA or U&C
Ingredient Cost - Compound Drugs	Lesser of U&C or combined AWP plus applicable service fee	
Brand Dispensing Fee/Rx	$0.60	
Generic Dispensing Fee/Rx	$0.60	
Administrative Fee/Rx	$0.00	

[1] Certain Participating Pharmacies have agreed to participate in the extended (84 – 90) day supply network ("Maintenance Network") for maintenance drugs. Pricing in the 84 – 90 Days Supply column in the table set forth above is applicable only if Sponsor implements a plan design that requires Members to fill such days supply at a Maintenance Network Participating Pharmacy (i.e., Sponsor must implement a plan design whereby Members who fill extended days supply prescriptions at a Participating Pharmacy other than a Maintenance Network Participating Pharmacy do not receive benefit coverage under the Plan for such prescription). If no such plan design is implemented, the pricing for such days supply will be the same as for Prescription Drug Claims for less than an 84 days supply, and pricing for an 84 – 90 days supply in the table set forth above shall not apply, even if a Maintenance Network Participating Pharmacy is used.

(b) EGWP Rates

Network	Medicare Network	
	(1 – 34 Days' Supply)	(35 - 90 Days' Supply) [1]
Ingredient Cost - Brand	Lesser of AWP – 18.00%, or U&C	Lesser of AWP – 21.50%, or U&C
Ingredient Cost - Generic	Lesser of AWP – 18.00%, MRA or U&C	Lesser of AWP – 21.50%, MRA or U&C
Ingredient Cost - Compound Drugs	Lesser of U&C or combined AWP plus applicable service fee	
Brand Dispensing Fee/Rx	$0.60	
Generic Dispensing Fee/Rx	$0.60	
Administrative Fee/Rx	$0.00	

[1] Certain Participating Pharmacies have agreed to participate in the extended (35 – 90) day supply network ("Maintenance Network") for maintenance drugs. Pricing in the 35 – 90 Days Supply column in the table set forth above is applicable only if Sponsor implements a plan design that requires Members to fill such days supply at a Maintenance Network Participating Pharmacy (i.e., Sponsor must implement a plan design whereby Members who fill extended days supply prescriptions at a Participating Pharmacy other than a Maintenance Network Participating Pharmacy do not receive benefit coverage under the Plan for such prescription). If no such plan design is implemented, the pricing for such days supply will be the same as for Prescription Drug Claims for less than an 35 days supply, and pricing for an 35 – 90 days supply in the table set forth above shall not apply, even if a Maintenance Network Participating Pharmacy is used.

Notwithstanding the preceding, ESI will guarantee an average aggregate annual discount for Generic Drugs as set forth in the table in Section III below.

II. **Mail Pharmacy Reimbursement Rates (Does Not Apply to Specialty Products).**

(a) Commercial Rates

Ingredient Cost - Brand Drugs	AWP – 25.50%
Ingredient Cost – Generic Drugs	AWP – 25.50% or, if lower, MRA
Brand Dispensing Fee/Rx*	$0.00
Generic Dispensing Fee/Rx*	$0.00
Administrative Fee/Rx	$0.00

*Dispensing Fees are inclusive of shipping and handling. If carrier rates (i.e., U.S. mail and/or applicable commercial courier services) increase during the term of this Agreement, the Dispensing Fee will be increased to reflect such increase(s).

(b) EGWP Rates

Ingredient Cost - Brand Drugs	AWP – 25.50%
Ingredient Cost – Generic Drugs	AWP – 25.50% or, if lower, MRA
Brand Dispensing Fee/Rx*	$0.00
Generic Dispensing Fee/Rx*	$0.00
Administrative Fee/Rx	$0.00

*Dispensing Fees are inclusive of shipping and handling. If carrier rates (i.e., U.S. mail and/or applicable commercial courier services) increase during the term of this Agreement, the Dispensing Fee will be increased to reflect such increase(s).

Notwithstanding the preceding, ESI will guarantee an average aggregate annual discount for Generic Drugs as set forth in the table in Section III below.

III. **Pricing Guarantees.**

Ingredient Cost Guarantee. ESI will guarantee an average aggregate annual discount as reflected below on Sponsor utilization to be calculated as follows:

[1-(total discounted AWP ingredient cost (excluding dispensing fees and claims with ancillary charges, and prior to application of Copayments) of applicable Prescription Drug Claims for the annual period divided by total undiscounted AWP ingredient cost (both amounts will be calculated as of the date of adjudication) for the annual period)]. Discounted ingredient cost will be the lesser of MRA (as applicable), U&C or AWP discount adjudication methodology.

Notwithstanding anything herein to the contrary, a Prescription Drug Claim that processes at the Generic rates set forth in Section I (Participating Pharmacy Reimbursement Rates) and Section II (Mail Pharmacy Reimbursement Rates) above, as indicated on the ingredient cost field of the Prescription Drug Claim's data record, shall be reconciled as part of the Generic guarantee below. All single-source and all multi-source generic products will be included in the generic guarantee (unless otherwise excluded). The only Prescription Drug Claims that shall be excluded from the reconciliation of the pricing guarantee are as identified in the "Claims Excluded" column of the table below. All other Prescription Drug Claims shall be included in the reconciliation of the guarantee.

(a) Commercial Guarantees

Type of Guarantee	Participating Pharmacy	Mail Service Pharmacy	Claims Excluded
Generic Ingredient Cost 10/1/16 – 12/31/17 1/1/18 – 12/31/18 1/1/19 – 12/31/19	 AWP – 81.00% AWP – 81.50% AWP – 82.00%	 AWP – 85.00%	OTC, compounds, Member Submitted Claims, Subrogation Claims, long term care pharmacy claims, home infusion, I/T/U, IHS, vaccines, Specialty Products, biosimilar products, and products filled through in-house or 340b pharmacies (if applicable)

(b) EGWP Guarantees

Type of Guarantee	Participating Pharmacy	Mail Service Pharmacy	Claims Excluded[1]
Generic Ingredient Cost 10/1/16 – 12/31/17 1/1/18 – 12/31/18 1/1/19 – 12/31/19	 AWP – 81.00% AWP – 81.50% AWP – 82.00%	 AWP – 85.00% AWP – 85.00% AWP – 85.00%	OTC, compounds, Enrollee Submitted Claims, Subrogation, long term care pharmacy claims, home infusion, I/T/U, IHS, vaccines, Specialty Products, biosimilar products, and products filled through in-house or 340b pharmacies (if applicable)

Guarantees will be measured and reconciled on an annual basis within 90 days of the end of each contract year. The above guarantees are annual guarantees - if this Agreement is terminated prior to the completion of the then current contract year (hereinafter, a "Partial Contract Year"), then the above guarantees will not apply for such Partial Contract Year. To the extent Sponsor changes its benefit design or Formulary during the term of the Agreement, the guarantee will be equitably adjusted if there is a material impact on the discount achieved. Subject to the remaining terms of this Agreement, ESI will pay the difference attributable to any shortfall between the actual result and the guaranteed result.

IV. **Specialty Products**

(a) Commercial

Exclusive Care. ESI Specialty Pharmacy is the exclusive provider of Specialty Products for the reimbursement rates shown on the Exclusive ESI Specialty Pharmacy Specialty Product List. Any Specialty Product dispensed at a Participating Pharmacy (for example, limited distribution products not then available through ESI Specialty Pharmacy or overrides) will be reimbursed at the standard Participating Pharmacy Specialty Product rates shown

below. Upon ESI Specialty Pharmacy acquisition of limited distribution products, Members will obtain prescriptions through ESI Specialty Pharmacy.

	Ingredient Cost	Dispensing Fee
Exclusive ESI Specialty Pharmacy	See Exclusive Specialty Product List Lesser of AWP discount or MRA (as applicable)	$0.00
Participating Pharmacy Specialty Products	Participating Pharmacy Specialty Product List Lesser of AWP discount, U&C or MRA (as applicable)	$0.60

Open Care. Specialty Products shall be available through ESI Specialty Pharmacy and at Participating Pharmacies for the Participating Pharmacy Specialty Product reimbursement rates.

	Ingredient Cost	Dispensing Fee
Open ESI Specialty Pharmacy	Open Specialty Product List Lesser of AWP discount or MRA (as applicable)	$0.00
Participating Pharmacy Specialty Products	Participating Pharmacy Specialty Product List Lesser of AWP discount, U&C or MRA (as applicable)	$0.60

(b) EGWP Care

Open Care. Specialty Products shall be available through ESI Specialty Pharmacy and at Participating Pharmacies for the Specialty Product List for ESI Specialty Pharmacy – Open, and Participating Pharmacy reimbursement rates.

	Ingredient Cost	Dispensing Fee
Open ESI Specialty Pharmacy	Open Specialty Product List Lesser of AWP discount or MRA	$0.00
Participating Pharmacy Specialty Products	Participating Pharmacy Specialty Product List Lesser of AWP discount, U&C or MRA	$0.60

(c) For Specialty Products needing an additional charge to cover costs of all ASES required to administer the Specialty Products, the following standard per diem and nursing fee rates shall apply.

Therapeutic Class	Brand Name	Nursing & Per Diem
Immune Deficiency	All	$65.00 / Infusion
Metabolic Disorder	All	$65.00 / Infusion
PAH	Flolan , Veletri and Remodulin	$65.00 / Day
PAH	Epoprostenol Sodium (Generic Flolan)	$65.00 / Day
PAH	Ventavis	$65.00 / Day
PAH	Tyvaso	$30.00 / Day
Pulmonary	All	$55.00 / Infusion
Nursing Rates	All drugs / therapies requiring nursing	$150.00 per Initial Visit up to two(2) hours / $75.00 per addt'l hour or a fraction thereof

(d) Specialty Products will be excluded from any price guarantees set forth in the Agreement. In no event will the Mail Service Pharmacy or Participating Pharmacy pricing terms specified in the Agreement, including, but not limited to, the annual average ingredient cost discount guarantees, apply to Specialty Products.

(e) Unless otherwise set forth in an agreement directly between ESI Specialty Pharmacy and Sponsor, if a Specialty Product dispensed or ASES provided by ESI Specialty Pharmacy is billed to Sponsor directly by ESI Specialty Pharmacy instead of being processed through ESI, Sponsor agrees to timely pay ESI Specialty Pharmacy for such claim pursuant to the rates above and within thirty (30) days of Sponsor's, or its

designee's, receipt of such electronic or paper claim from ESI Specialty Pharmacy. ESI Specialty Pharmacy shall have 360 days from the date of service to submit such electronic or paper claim.

(f) Notwithstanding the Specialty Product pricing terms set forth above, ESI will guarantee an average aggregate annual ingredient cost discount for commercial (non-EGWP) Specialty Product dispensed through ESI Specialty Pharmacy as follows:

Type of Guarantee	ESI Specialty Pharmacy	Claims Excluded
Average Aggregate Annual Ingredient Cost Discount Guarantee	AWP – 17.00%[1]	All Specialty Products Prescription Drug Claims except Specialty Product Prescription Drug Claims dispensed through ESI Specialty Pharmacy (excluding Limited Distribution medications dispensed through ESI Specialty Pharmacy, which are also excluded)

[1]This guarantee shall only apply to Plans for which Sponsor elects the ESI Specialty Pharmacy "exclusive" option.

The above Specialty Product guarantee will be reconciled in accordance with the terms of Section III above.

V. Vaccine Claims (No vaccine claims will be included in any pricing or rebate guarantee set forth in the Agreement).

(a) General Terms applicable to Vaccine Claims

(i) Vaccine Claims shall adjudicate at the lower of U&C or the amounts shown in the table below. In the case of Vaccine Claims, the U&C shall be the retail price charged by a Participating Pharmacy for the particular vaccine, plus administration and dispensing fees, in a cash transaction on the date the vaccine is dispensed as reported to ESI by the Participating Pharmacy.

(ii) The Vaccine Administration Fee for Vaccine Claims for Members enrolled in Sponsor's Medicaid programs, if any, will be capped at the maximum reimbursable amount under the state Medicaid program in which the Member is enrolled.

(iii) All Vaccine Claims will be subject to any Administrative Fees set forth in the Agreement.

(iv) Vaccine Claims will be charged a program fee of $2.50 per Vaccine Claim. The Vaccine Program Fee will be billed separately to Sponsor as part of the administrative invoice according to the billing frequency set forth in this Agreement.

(b) Commercial Vaccine Claim Pricing

	Participating Pharmacy INFLUENZA	Participating Pharmacy ALL OTHER VACCINES	Member Submitted Vaccine Claims (excluding foreign claims)
Vaccine Administration Fee	Pass-Through (capped at $15 per vaccine claim)	Pass-Through (capped at $20 per vaccine claim)	Submitted amount
Ingredient Cost	Participating Pharmacy Ingredient Cost as set forth in the Agreement	Participating Pharmacy Ingredient Cost as set forth in the Agreement	Submitted amount
Dispensing Fee	Participating Pharmacy Dispensing Fee as set forth in the Agreement	Participating Pharmacy Dispensing Fee as set forth in the Agreement	Submitted amount
Administrative Fee/Vaccine Claim	Administrative Fee per Prescription Drug Claim as set forth in the Agreement		Administrative Fee per Prescription Drug Claim (plus manual claim administrative fee) as set forth in the Agreement
Vaccine Program Fee	$2.50 per vaccine claim		

(c) Medicare Part D Covered Vaccine Claims

Medicare Part D Vaccine Claims shall adjudicate at the lower of U&C or the amounts shown in the table below.

	Participating Pharmacies/Mail Service Pharmacy/ESI Specialty Pharmacy	Member Submitted Vaccine Claims (excluding foreign claims)	Vaccine Claims Submitted Electronically by Physicians
Vaccine Administration Fee	Pass-Through (capped at $20 per Vaccine Claim)	Lower of submitted amount or pharmacy contracted rate (capped at $20.00 if administered at a Participating Pharmacy)	Pass-Through (capped at $20 per Vaccine Claim)
Ingredient Cost	Pass-Through	Lower of submitted amount or pharmacy contracted rate	Pass-Through
Dispensing Fee	Pass-Through	Lower of submitted amount or pharmacy contracted rate	Pass-Through
Vendor Transaction Fee	N/A	N/A	Pass through at ESI cost for Vendor Transaction Fee (currently $3.75, subject to change)

(d) Medicare Part B Covered Vaccine Claims

Medicare Part B covered Vaccine Claims shall adjudicate at the amounts shown in the table below.

	Participating Pharmacy INFLUENZA	Participating Pharmacy PNEUMONIA
Vaccine Administration Fee	Pass-Through (capped at $15 per Vaccine Claim)	Pass-Through (capped at $20 per Vaccine Claim)
Ingredient Cost	Pass-Through	Pass-Through
Dispensing Fee	Pass-Through	Pass-Through

VI. Long Term Care; I/T/U and IHS; Home Infusion Pricing

I/T/U and IHS Prescription Services: Pass-through pricing – Rates vary by state

LONG TERM CARE NETWORK PROVIDERS	Pricing
Brand Discount	Lower of AWP – 10.18 or U&C
Generic Discount	Lower of AWP – 10.18% or U&C
Brand Dispensing Fee Per Claim	$4.50
Generic Dispensing Fee Per Claim	$4.50
Administrative Fee Per Claim	$0.00
HOME INFUSION PROVIDERS	**Pricing**
Brand Discount	Lower of AWP – 10.18% or U&C
Generic Discount	Lower of AWP – 10.18% or U&C
Brand Dispensing Fee Per Claim	$0.00
Generic Dispensing Fee Per Claim	$0.00
Administrative Fee Per Claim	$0.00

Exhibit A-2

Administrative Services and Clinical Program Fees

I. Commercial Administrative Services

PBM Services – No Additional Fee	
Customer service for Members	Electronic claims processing
Electronic/on-line eligibility submission	Plan setup
Standard coordination of benefits (COB) (reject for primary carrier)	Software training for access to our on-line system(s)
FSA eligibility feeds	
Network Pharmacy Services	
Pharmacy help desk	Pharmacy reimbursement
Pharmacy network management	Network development (upon request)
Network Pharmacy Audit Program	Network Pharmacy Reporting
Home Delivery Services	
Benefit education	Prescription delivery – standard
Reporting Services	
Web-based client reporting – produced by Sponsor	Web-based client reporting – produced by ESI
Ad-hoc desktop parametric reports	Annual Strategic Account Plan report
Claims detail extract file electronic (NCPDP format)	Billing reports
Load 12 months claims history for clinical reports and reporting	Inquiry access to claims processing system
Website Services	
Sponsor Website — eService Delivery (Eligibility, Claims, and Benefit Administration), Coverage Management and Appeals, Eligibility File Transfer, Reporting Solutions and Resources Area.	My Rx Choices – helps members make informed medication choices based on cost, health and safety. Member website portion only.
Express-Scripts.com for Members — access to benefit, drug, health, and wellness information, prescription ordering capability; and customer service.	Online Benefit Management – eService web-based application with Claims History, Eligibility Maintenance, and Prior Authorization Add.
Mobile App for Members – includes My Rx Choices, My Medicine Cabinet, Pharmacy Care Alerts, Refills and Renewals, and virtual prescription ID card.	
Implementation Package and Member Communications	
New Member packets (includes two standard resin ID cards) Member replacement cards printed via web	Implementation support
Clinical	
Concurrent Drug Utilization Review (DUR)	Prior Authorization – Administrative • Non-clinical Prior Authorization • Lost/stolen overrides • Vacation supplies

PBM Services	**Fees**
Manual/hardcopy eligibility submission	$10.00/update (includes initial entry)
Member-submitted paper claims processing fee Medicaid subrogation claims fee	$3.00/claim $3.00/claim
Electronic Prescribing	Pass-through charge for ePrescribing Eligibility and Formulary transaction fees charged to Sponsor at ESI's preferred rate with data switch such as Surescripts.
Reporting Services	
Custom ad-hoc reporting	$150/hour, with a minimum of $500
Replacement Member Communication Packets	
Member requested replacement packets Sponsor requested re-carding	$1.50 + postage per packet $1.50 + postage per packet

PBM Services	Fees
Communication Fee	
Smart90 and Mail (EHD, SHD & HDE) Programs	$2.50 per employee upon implementation of program (one-time charge)
Reviews and Appeals Management	
Initial Determinations (i.e. coverage reviews) and Level One Appeals for the Coverage Authorization Program, consisting of: • Prior Authorization • Step Therapy • Drug Quantity Management	Included in the existing UM PMPM charge
Initial Determinations and Level One Appeals for the Benefit Review Program, consisting of reviews known as: • Plan Design Related Requests • Plan Exclusion Reviews (clinical or administrative reviews of non-covered drugs) • Copay Reviews • Plan Limit Reviews (e.g. age, gender, days' supply limits) • Plan Rule/Administrative Reviews/Non-clinical Reviews • Clinical Benefit Reviews • Direct Claim Reject Reviews	$55 per review
Final and Binding Appeals – Level Two Appeals * and/or Urgent Appeals** *Level One for clients with only one level of appeal ** Appeals can be urgent at Level One or Level Two and decisions are final and binding.	$10.00 per review* (incremental to PMPM fees or per review fees above) *** this additional fee is applied to each initial determination.**
External Reviews by Independent Review Organizations - for non-grandfathered plans	$800 per review
Comprehensive Consumer Driven Health (CDH) Solution	
Required Services and Fee for all CDH enrolled Members	
Foundational Services • Technical Bi-directional data exchange; dedicated operations; 24-hour a day, seven-days a week monitoring and quality control; performance reporting; and analytics • Member Advocacy Dedicated CDH member services, My Rx Choices Plus, open enrollment tools and member communications library, robust online features, and preventive care	Technical and Member Advocacy: $0.35 PMPM Additional services will be quoted upon request. Postage charges are not included and will be billed to Sponsor.
Optional Service and Fee for all CDH enrolled Members	
Comprehensive Member Engagement Services • Health Choices Medication Adherence Monitoring and Outreach and proactive, personalized member communications • Drug Choices Benefit Coaching, Prescription Benefit Review Statements, proactive, personalized member communications	Comprehensive Services: $0.30 PMPM All Services (Foundational & Comprehensive): $0.65 PMPM Additional services will be quoted upon request. Postage charges are not included and will be billed to Sponsor.

PBM Services	Fees
Required Service and Fee for all Non-CDH enrolled Members – If Sharing Data Only	
Combined Benefit Management Services to manage combined medical-pharmacy benefits that are not a consumer-directed health (CDH) plan. Services include ongoing management of the data exchange platform with the medical vendor/TPA, production monitoring and quality control, and dedicated operations team. Combined benefit types may include deductible, out of pocket, spending account, and lifetime maximum.	$0.10 PMPM per combined accumulator up to maximum of $0.20 PMPM for existing connection with medical carrier or TPA. Fees to establish connection with new medical carrier or TPA will be quoted upon request. Additional services will be quoted upon request. Postage charges are not included and will be billed to Sponsor.
Medicare Part D – Retiree Drug Subsidy (RDS)	
RDS enhanced service (ESI sends reports to CMS on behalf of Sponsor) • Notice of Creditable Coverage	$1.12 PMPM for Medicare-qualified Members with a minimum annual fee of $7,500 $1.35/letter + postage
RDS standard service (ESI sends reports to Sponsor) • Notice of Creditable Coverage	$0.62 PMPM for Medicare-qualified Members with a minimum annual fee of $5,000 $1.35/letter + postage
Electronic Medicare Part D EOB	
Electronic Medicare EOB is an e-mail notification to the Member informing them at the time of EOB production that their Medicare Part D Explanation of Benefits is available for viewing. Members can opt in/opt out at any time. Electronic EOB includes: • Email notification to the Member • Solicitation e-mail sent to registered Members • Prominent Web messaging	$0.15/per EOB
Cost Exceeds Maximum	
ESI-Managed Cost Exceeds Maximum (CEM) edit (For non-compound drugs)	$10,000 CEM limit – included in pricing Custom CEM limit less than $10,000 - $0.01PMPM fee
ESI-Managed Cost Exceeds Maximum (CEM) edit (For compound drugs)	Included in pricing
Client Managed Cost Exceeds Maximum (CEM) edit (For non-compound and compound drugs)	Included in pricing

II. Clinical/Trend Programs.

ESI offers a comprehensive suite of trend and integrated health management programs. These offerings may change or be discontinued from time to time as ESI updates its offerings to meet the needs of the marketplace.

The programs (and corresponding pricing and guarantees) outlined in the Clinical Addendum (executed separately by Sponsor) represent the programs currently adopted by Sponsor as of the Effective Date. ESI also offers additional programs, as well as savings guarantees, under certain conditions. Information concerning such programs, guarantees, and fees, if applicable, is available on request. In addition, the ESI Account Management Team will periodically discuss new programs, guarantees, and fees with Sponsor, which Sponsor may adopt through ESI's standard Set-Up Form process.

Sponsor will select clinical/trend programs during implementation by checking selected options on the Clinical Addendum and on the applicable Set-Up Form. Such Set-Up Forms are incorporated herein by reference as and when executed by the parties.

Please refer to the Clinical Addendum for a listing of Sponsor's programs.

III. EGWP Administrative Fees

Optional PBM Services

Additional PBM Services	Fees
Claims Processing	
Member Submit Fee (includes Medicaid subrogation claims) Electronic Prescribing	$10.00 per claim Pass through charge for ePrescribing Eligibility and Formulary transaction fees charged to [Client] at Express Scripts' preferred rate with data switch such as Surescripts.
Custom Client Reporting	
Custom Ad Hoc Reports – applies for reporting outside of self-services reporting tool	$150 per hour; minimum $500 charge
Premium Billing	
EGWP Enrollee Premium Billing	Pricing available upon request
Account and EGWP Enrollee Services	
EGWP Enrollee Requested Materials Client requested Re-carding Custom materials Mailings over five pages in length	$1.50 + postage per packet $1.50 + postage per packet Priced upon request Priced upon request
Reviews and Appeals Management	
Initial Determinations (i.e. coverage reviews) and Level One Appeals for the Coverage Authorization Program, consisting of: • Prior Authorization • Step Therapy • Drug Quantity Management	Included in EGWP Admin Fee
Initial Determinations and Level One Appeals for the Benefit Review Program, consisting of reviews known as: • Plan Design Related Requests • Plan Exclusion Reviews (clinical or administrative reviews of non-covered drugs) • Copay Reviews • Plan Limit Reviews (e.g. age, gender, days' supply limits) • Plan Rule/Administrative Reviews/Non-clinical Reviews • Clinical Benefit Reviews • Direct Claim Reject Reviews	Included in EGWP Admin Fee

PDP Services

PDP Services	
EGWP Plus Administrative Fee	$10.85 PMPM

Express Scripts' EGWP Plus administrative fee includes the following services:

Implementation
Implementation and support for plan designs – no limit
Medicare Part D Formulary and Network Management
Contracting of retail, long term care, and home infusion networks to conform to CMS access requirements Establishment of a CMS approved Formulary and P&T Committee support Formulary management and change notification communications Administration of manufacturer rebate contracts in compliance with CMS requirements
Claims Processing
Electronic Claims Processing
Enrollment Management
Electronic Eligibility submission Initial enrollment, age-in members, low-income management Eligibility/Enrollment status reporting
Home Delivery Services
Processing and delivery of prescriptions received via Internet, fax, phone or mail Prescription Delivery - Standard Therapeutic Resource Center services where appropriate Mail Programs where appropriate Participation in Mail Marketing Programs where appropriate Refill orders received by phone or Internet 24 hours a day, 7 days a week Handling and postage expense of mail-order prescriptions. If postage rates (i.e., U.S. mail and/or applicable commercial courier services) increase during the term of this Agreement, the Dispensing Fee will be increased to reflect such increase(s) Braille prescription labels for visually impaired Communication/educational materials included in medication packages: • Summary statement of benefit account • Drug Information Leaflet with each new prescription • Buck slips highlighting benefit components • Pre-addressed pharmacy order form/envelope • Refill or renewal form (when appropriate)

Specialty Pharmacy Services
Clinical support, including: • Patient tele-counseling from specially trained pharmacists and nurses • Care management including information and support directly to the patient • Coordination of care with the patient's case manager and/or home care agency • Specialty drug educational materials and product information Toll-free telephone line for members using specialty drugs Ancillary supplies (such as needles and syringes) provided with self-inject able medications Logistics coordination of delivery to patient's home or physician's office Express delivery to physician's office or patient's home • Standard two-day delivery • Overnight delivery if required by physician (excluding Sundays) Comprehensive drug utilization management review applied to specialty pharmacy related medical and prescription claims Enhanced physician services including communication materials, forms, informational hotline Analysis of integrated pharmacy and medical claims databases to identify persons using specialty medications. Targeted communications, including: • an initial mailing upon enrollment notifying members of the change in plan coverage; • follow-up mailings and outbound phone calls notifying members of their eligibility for services from the specialty pharmacy Additional services available: Mailings direct to members, physicians or plan location - Quoted Upon Request
Medicare Processing and Reporting Services
Interaction with CMS and federal agencies to ensure compliance and applicable laws
Manage contact with CMS
Evaluate actuarial equivalence and report to CMS as required Processing, reconciliation, and reporting of CMS Direct Subsidy, CMS Low-Income Premium and Cost-Sharing, Coverage Gap Discount Payments, and CMS Catastrophic Reinsurance (subject to plan design) LIS Premium Refund Service *Subsidies will only be received on behalf of members approved by CMS as eligible for the PDP. Any member rejected by CMS will not be eligible for any of the subsidies outlined above. To the extent that CMS, for any reason, re-opens a reconciliation window with the PDP, the PDP has the right to re-open reconciliation with the client for any of the above subsidies* Client management and financial reporting Preparation of all data necessary to meet Medicare Part D Reporting Requirements Development and transmission of applicable files to CMS as part of program administration All CMS reporting requirements related to rebates, network access, TrOOP, clinical program management, claims administration, operational compliance, and other reports as required by CMS Maintenance and support of CMS "Prescription Drug Event" (claim) process • Maintenance and distribution of PDE files • Process to manage CMS responses • Resolution of PDE rejects Support of up to one regulatory audit CMS might perform on behalf of [Client] if applicable
Website
Express-Scripts.com for Clients & Advisors — access to: • Reporting tools • Eligibility EGWP Enrollee status reporting • Contact directory • Sales and marketing information • Benefit and enrollment support secured through Risk Base Authentication Express-Scripts.com for EGWP Enrollees — access to • Benefit, drug, health and wellness information • Prescription ordering capability • Customer service

Account and EGWP Enrollee Service
Assigned account team Annual pharmacy benefit strategic planning with quarterly review Medicare Call-Center Services including support for client's open enrollment (open enrollment support is dependent on [Client] submitting benefit information within the required timeframe for support) Grievance management Centralized administration for payment of claim and administrative fees Training for online tools Care and Safety Management Education
EGWP Enrollee Communications
Development of communication templates, customer service scripting, and other communication tools Development of template language to be included in open enrollment materials Mailing of Medicare required member communications, as applicable. • Pre-notification Letters (Including benefit overview) **New Enrollee Packets** • EGWP Enrollee ID card • Quick Reference Guide • Welcome Letter • Benefit Overview • Evidence of Coverage (EOC) • Formulary Guidebook • Pharmacy directory • HIPAA Notice • Home Delivery Order From **On-Going** • Transition Supply Letters • Explanation of Benefits (EOBs) • Medication Therapy Management (MTM) Letters • Coverage Determination Letters • Grievance and Appeals Letters • Low Income Subsidy (LIS) Riders • Late Enrollment Penalty (LEP) Attestation Letters • Enrollment/Disenrollment Letters • 60 Day Formulary Notification Letters • Other CMS required notifications **Renewal EGWP Enrollee Packet** • Annual Notice of Changes (ANOC) • Evidence of Coverage (EOC) • Formulary Guidebook • Home Delivery Order Form
Clinical Services
Concurrent Drug Utilization Reporting (DUR) Retrospective DUR Medication Therapy Management and reporting Fraud, Waste, and Abuse Program CMS Approved Utilization Management Programs including Drug Quantity Management, Prior Authorization, and Step Therapy

Participating Pharmacies
Pharmacy Audit Pharmacy Help Desk Pharmacy Network Management Network Development Upon Request Pharmacy Reimbursement

IV. EGWP Clinical/Trend Programs.

ESI offers a comprehensive suite of trend and integrated health management programs. With a 360-degree view of the patient, ESI promotes changes that maximize health outcomes and value – reducing prescription waste, enabling better overall health and value, enriching the care continuum and managing medication therapy and safety. These offerings may change or be discontinued from time to time as ESI updates its offerings to meet the needs of the marketplace.

Health Choices	Fees
Concurrent DUR	No charge (included in base offering)
ScreenRx	$0.25 PMPM
Pharmacogenomics	2C9/ VKORC1 Warfarin Testing: $450 per completed test 2C19 Clopidogrel (Plavix) Testing: $480 per completed test HLA-B*5701 Abacavir Testing: $625 per completed test CCR5 Maraviroc (Selzentry) Testing: $2,800 per completed test BCR-ABL Gleevec, Sprycel, Tasigna Testing: $660 per completed test
Retrospective DUR	Included in EGWP Admin Fee
Physician Report Card – Mailed Profiles Only	Fixed Quarterly Fee: $1,350 per quarter Cost per package mailed-enrolled: 1-4 pages: $3.00 per package 5-8 pages: $4.00 per package 9-12 pages: $5.00 per package 12-14 pages: $5.50 per package
Physician Consultation	Phone based consultation: $100 per consulted physician/provider Face-to-face consultation: Client specific upon request
Medicare	**Fees**
Medicare Medication Therapy Management (MTM)	Included in EGWP Admin Fee
eMTM (for clients with Medicare MTM)	Prescriber Outreach: $0.26 PMPM Member and Prescriber Outreach: $0.52 PMPM
Drug Choice Programs	**Fees**
Formulary Notification	No charge for standard
Fraud, Waste, & Abuse	Included in EGWP Admin Fee
My RxChoices	No Charge (included in base offering)
Utilization Management **Drug Quantity Management**- quantity dispensed per prescription **Prior Authorization** – intervene to support appropriate use at the point of service through pre-established clinical criteria **Step Therapy** – intervene to support the use of less expensive and clinically appropriate medications at the point of sale	Standard Offering included in EGWP Admin Fee • All rules included in the standard formulary selected • CMS required rules Custom Rules have a $50,000 annual set-up fee

EXHIBIT A-3

Rebates
(Does Not Apply to Specialty Products)

1. **Rebate Amounts**

A. Subject to the conditions set forth in Sections 2. – 4. below and elsewhere in this Agreement, ESI will pay to Sponsor an amount equal to the greater of:

(i) 100% of the Rebates received by ESI, excluding Rebates received by ESI for Specialty Products;

Or

(ii) Subject to Sponsor meeting the Plan design conditions identified in the table below, the following guaranteed amounts, excluding claims for Specialty Products:

(a) Commercial Rebates

Formulary:	ESI National Preferred					
Copayment Design:	Less than $15 Copayment differential			Minimum $15 Copayment differential		
	Participating Pharmacies 1-83 Days Supply	Participating Pharmacies[1] 84-90 Days Supply	Mail Service Pharmacy	Participating Pharmacies 1-83 Days Supply	Participating Pharmacies[1] 84-90 Days Supply	Mail Service Pharmacy
Per Brand Claim						
10/1/16 – 12/31/17	$91.76	$238.57	$238.57	$101.96	$265.08	$265.08
1/1/18 – 12/31/18	$108.40	$281.51	$281.51	$120.45	$312.79	$312.79
1/1/19 – 12/31/19	$127.70	$331.84	$331.84	$141.89	$368.71	$368.71

Formulary:	ESI Basic					
Copayment Design:	Less than $15 Copayment differential			Minimum $15 Copayment differential		
	Participating Pharmacies 1-83 Days Supply	Participating Pharmacies[1] 84-90 Days Supply	Mail Service Pharmacy	Participating Pharmacies 1-83 Days Supply	Participating Pharmacies[1] 84-90 Days Supply	Mail Service Pharmacy
Per Brand Claim						
10/1/16 – 12/31/17	$68.31	$179.05	$179.05	$85.39	$223.81	$223.81
1/1/18 – 12/31/18	$77.89	$207.39	$207.39	$97.36	$259.24	$259.24
1/1/19 – 12/31/19	$90.78	$244.08	$244.08	$113.47	$305.10	$305.10

[1] Certain Participating Pharmacies have agreed to participate in the extended (84 – 90) day supply network ("Maintenance Network") for maintenance drugs. Rebate Amounts in the 84 – 90 Days' Supply column in the table set forth above are applicable only if Sponsor implements a plan design that requires Members to fill such days' supply at a Maintenance Network Participating Pharmacy (i.e., Sponsor must implement a plan design whereby Members who fill extended days' supply prescriptions at a Participating Pharmacy other than a Maintenance Network Participating Pharmacy do not receive benefit coverage under the Plan for such prescription). If no such plan design is implemented, Rebate Amounts for such days' supply will be the same as for Prescription Drug Claims for less than an 84 days' supply, and Rebate Amounts for an 84 – 90 days' supply in the table set forth above shall not apply, even if a Maintenance Network Participating Pharmacy is used.

(b) EGWP Rebates

Formulary:	Medicare Premier Access Formulary		
Copayment Design:	Minimum $15 Copayment Differential		
	Participating Pharmacies (1 – 34 Days' Supply)	Participating Pharmacies (35 – 90 Days' Supply)	Mail Service Pharmacy
Per Brand Claim			
10/1/16 – 12/31/17	$87.71	$160.38	$160.38
1/1/18 – 12/31/18	$104.58	$187.43	$187.43
1/1/19 – 12/31/19	$123.95	$219.68	$219.68

(1) Certain Participating Pharmacies have agreed to participate in the extended (35 – 90) day supply network ("Maintenance Network") for maintenance drugs. Rebate Amounts in the 35 – 90 Days' Supply column in the table set forth above are applicable only if Sponsor implements a plan design that requires Members to fill such days' supply at a Maintenance Network Participating Pharmacy (i.e., Sponsor must implement a plan design whereby Members who fill extended days' supply prescriptions at a Participating Pharmacy other than a Maintenance Network Participating Pharmacy do not receive benefit coverage under the Plan for such prescription). If no such plan design is implemented, Rebate Amounts for such days' supply will be the same as for Prescription Drug Claims for less than an 35 days' supply, and Rebate Amounts for an 35 – 90 days' supply in the table set forth above shall not apply, even if a Maintenance Network Participating Pharmacy is used.

B. If the Plan design conditions identified in the table in Section 1.A.(ii) above are not met, the "greater of" methodology and the guaranteed amounts shall not apply, and ESI will, subject to the remaining terms of this Agreement, pay Sponsor Rebate amounts pursuant to the percentage set forth in Section 1.A.(i) above.

2. Exclusions

Member Submitted Claims, Specialty Products, Subrogation Claims, biosimilar products, OTC products, claims older than 180 days, claims through Sponsor-owned, in-house, or on-site pharmacies, 340b pharmacies, and claims pursuant to a 100% Member Copayment plan are not eligible for the guaranteed Rebate amounts set forth in Section 1.A.(ii) above.

3. Rebate Payment Terms

A. Subject to the conditions set forth herein, ESI shall pay Sponsor the percentage amount set forth in Section 1.A.(i) above for Rebates collected by ESI during each calendar quarter hereunder within approximately one hundred and fifty (150) days following the end of such calendar quarter. ESI shall also pay Sponsor the percentage amount set forth in Section 1.A.(i) above for residual Rebates collected by ESI, if any, related to such calendar quarter, which are collected by ESI in subsequent quarters.

B. On an annual and aggregate basis, ESI shall reconcile the guaranteed amounts set forth in Section 1.A.(ii) above (against the percentage amount paid to Sponsor quarterly) within two hundred and forty (240) days following the end of each calendar year and shall credit Sponsor for any deficit on the next invoice immediately following the reconciliation to the extent such deficit is not offset by ESI against excesses achieved in other guarantees offered pursuant to this Agreement. If, upon reconciliation, the annual aggregate percentage amount paid to Sponsor for the calendar year pursuant to Section 1.A.(i) and 3.A. above is greater than the guaranteed aggregate amounts set forth in Section 1.A.(ii) above, ESI shall be entitled to make up for, and offset, a shortfall in other guarantee(s) set forth in this Agreement with such excess annual aggregate percentage amount, and such excess amount shall be applied either directly to the other shortfall guarantee(s) or applied as a credit against future Rebate payments (or as a direct invoice amount to be paid by Sponsor, if a credit is not feasible).

4. Conditions

A. ESI contracts for Rebates on its own behalf and for its own benefit, and not on behalf of Sponsor. Accordingly, ESI retains all right, title and interest to any and all actual Rebates received. ESI will pay Sponsor amounts equal to the Rebate amounts allocated to Sponsor, as specified above, from ESI's

general assets (neither Sponsor, its Members, nor Sponsor's plan retains any beneficial or proprietary interest in ESI's general assets). Sponsor acknowledges and agrees that neither it, its Members, nor its Plan will have a right to interest on, or the time value of, any Rebate payments received by ESI during the collection period or moneys payable under this Section. No amounts for Rebates will be paid until this Agreement is executed by Sponsor. ESI will have the right to apply Sponsor's allocated Rebate amount to unpaid Fees.

B. Sponsor acknowledges that it may be eligible for Rebate amounts under this Agreement only so long as Sponsor, its affiliates, or its agents do not contract directly or indirectly with anyone else for discounts, utilization limits, rebates or other financial incentives on pharmaceutical products or formulary programs for claims processed by ESI pursuant to the Agreement, without the prior written consent of ESI. In the event that Sponsor negotiates or arranges for Rebates or similar discounts for any Covered Drugs hereunder, but without limiting ESI's right to other remedies, ESI may immediately withhold any Rebate amounts earned by, but not yet paid to, Sponsor as necessary to prevent duplicative rebates on Covered Drugs. To the extent Sponsor knowingly negotiates and/or contracts for discounts or rebates on claims for Covered Drugs without prior written approval of ESI, such activity will be deemed to be a material breach of this Agreement, entitling ESI to suspend payment of Rebate amounts hereunder and to renegotiate the terms and conditions of this Agreement.

C. Under its Rebate program, ESI may implement ESI's Formulary management programs and controls, which may include, among other things, cost containment initiatives, and communications with Members, Participating Pharmacies, and/or physicians. ESI reserves the right to modify or replace such programs from time to time. Guaranteed Rebate amounts, if any, set forth herein, are conditioned on adherence to various Formulary management controls, benefit design requirements, claims volume, and other factors stated in the applicable pharmaceutical manufacturer agreements, as communicated by ESI to Sponsor from time to time. If any government action, change in law or regulation, change in the interpretation of any law or regulation, or any action by a pharmaceutical manufacturer has an adverse effect on the availability of Rebates, then ESI may make an adjustment to the Rebate terms and guaranteed Rebate amounts, if any, hereunder.

D. Rebate amounts paid to Sponsor pursuant to this Agreement are intended to be treated as "discounts" pursuant to the federal anti-kickback statute set forth at 42 U.S.C. §1320a-7b and implementing regulations. Sponsor is obligated if requested by the Secretary of the United States Department of Health and Human Services, or as otherwise required by applicable law, to report the Rebate amounts and to provide a copy of this notice. ESI will refrain from doing anything that would impede Sponsor from meeting any such obligation.

EXHIBIT A-4

Rebates (Specialty Products)

1. **Rebate Amounts**

A. Subject to the conditions set forth in Sections 2. – 4. below and elsewhere in this Agreement, ESI will pay to Sponsor an amount equal to the greater of:

(i) 100% of the Rebates received by ESI;

Or

(ii) Subject to Sponsor meeting the Plan design conditions identified in the table below, the following guaranteed amounts:

(a) Commercial

Formulary:	ESI National Preferred	
Copayment Design:	Less than $15 Copayment differential	Minimum $15 Copayment differential
	ESI Specialty Pharmacy	ESI Specialty Pharmacy
Per Brand Claim		
10/1/16 – 12/31/17	$1,341.00	$1,341.00
1/1/18 – 12/31/18	$1,498.00	$1,498.00
1/1/19 – 12/31/19	$1,675.00	$1,675.00

Formulary:	ESI Basic	
Copayment Design:	Less than $15 Copayment differential	Minimum $15 Copayment differential
	ESI Specialty Pharmacy	ESI Specialty Pharmacy
Per Brand Claim		
10/1/16 – 12/31/17	$528.00	$528.00
1/1/18 – 12/31/18	$584.00	$584.00
1/1/19 – 12/31/19	$652.00	$652.00

(b) EGWP

Formulary:	Medicare Premier Access Formulary
Copayment Design:	Minimum $15 Copayment Differential
	ESI Service Pharmacy
Per Brand Claim	
10/1/16 – 12/31/17	$528.00
1/1/18 – 12/31/18	$584.00
1/1/19 – 12/31/19	$652.00

B. If the Plan design conditions identified in the table in Section 1.A.(ii) above are not met, the "greater of" methodology and the guaranteed amounts shall not apply, and ESI will, subject to the remaining terms of this Agreement, pay Sponsor Rebate amounts pursuant to the percentage set forth in Section 1.A.(i)

above.

2. Exclusions

Member Submitted Claims, Subrogation Claims, biosimilar products, OTC products, claims older than 180 days, claims through Sponsor-owned, in-house, or on-site pharmacies, 340b pharmacies, and claims pursuant to a 100% Member Copayment plan are not eligible for the guaranteed Rebate amounts set forth in Section 1.A.(ii) above.

3. Rebate Payment Terms

A. Subject to the conditions set forth herein, ESI shall pay Sponsor the percentage amount set forth in Section 1.A.(i) above for Rebates collected by ESI during each calendar quarter hereunder within approximately one hundred and fifty (150) days following the end of such calendar quarter. ESI shall also pay Sponsor the percentage amount set forth in Section 1.A.(i) above for residual Rebates collected by ESI, if any, related to such calendar quarter, which are collected by ESI in subsequent quarters.

B. On an annual and aggregate basis, ESI shall reconcile the guaranteed amounts set forth in Section 1.A.(ii) above (against the percentage amount paid to Sponsor quarterly) within two hundred and forty (240) days following the end of each calendar year and shall credit Sponsor for any deficit on the next invoice immediately following the reconciliation to the extent such deficit is not offset by ESI against excesses achieved in other guarantees offered pursuant to this Agreement. If, upon reconciliation, the annual aggregate percentage amount paid to Sponsor for the calendar year pursuant to Section 1.A.(i) and 3.A. above is greater than the guaranteed aggregate amounts set forth in Section 1.A.(ii) above, ESI shall be entitled to make up for, and offset, a shortfall in other guarantee(s) set forth in this Agreement with such excess annual aggregate percentage amount, and such excess amount shall be applied either directly to the other shortfall guarantee(s) or applied as a credit against future Rebate payments (or as a direct invoice amount to be paid by Sponsor, if a credit is not feasible).

4. Conditions

A. ESI contracts for Rebates on its own behalf and for its own benefit, and not on behalf of Sponsor. Accordingly, ESI retains all right, title and interest to any and all actual Rebates received. ESI will pay Sponsor amounts equal to the Rebate amounts allocated to Sponsor, as specified above, from ESI's general assets (neither Sponsor, its Members, nor Sponsor's plan retains any beneficial or proprietary interest in ESI's general assets). Sponsor acknowledges and agrees that neither it, its Members, nor its Plan will have a right to interest on, or the time value of, any Rebate payments received by ESI during the collection period or moneys payable under this Section. No amounts for Rebates will be paid until this Agreement is executed by Sponsor. ESI will have the right to apply Sponsor's allocated Rebate amount to unpaid Fees.

B. Sponsor acknowledges that it may be eligible for Rebate amounts under this Agreement only so long as Sponsor, its affiliates, or its agents do not contract directly or indirectly with anyone else for discounts, utilization limits, rebates or other financial incentives on pharmaceutical products or formulary programs for claims processed by ESI pursuant to the Agreement, without the prior written consent of ESI. In the event that Sponsor negotiates or arranges for Rebates or similar discounts for any Covered Drugs hereunder, but without limiting ESI's right to other remedies, ESI may immediately withhold any Rebate amounts earned by, but not yet paid to, Sponsor as necessary to prevent duplicative rebates on Covered Drugs. To the extent Sponsor knowingly negotiates and/or contracts for discounts or rebates on claims for Covered Drugs without prior written approval of ESI, such activity will be deemed to be a material breach of this Agreement, entitling ESI to suspend payment of Rebate amounts hereunder and to renegotiate the terms and conditions of this Agreement.

C. Under its Rebate program, ESI may implement ESI's Formulary management programs and controls, which may include, among other things, cost containment initiatives, and communications with Members, Participating Pharmacies, and/or physicians. ESI reserves the right to modify or replace such programs from time to time. Guaranteed Rebate amounts, if any, set forth herein, are conditioned on adherence to various Formulary management controls, benefit design requirements,

claims volume, and other factors stated in the applicable pharmaceutical manufacturer agreements, as communicated by ESI to Sponsor from time to time. If any government action, change in law or regulation, change in the interpretation of any law or regulation, or any action by a pharmaceutical manufacturer has an adverse effect on the availability of Rebates, then ESI may make an adjustment to the Rebate terms and guaranteed Rebate amounts, if any, hereunder.

D. Rebate amounts paid to Sponsor pursuant to this Agreement are intended to be treated as "discounts" pursuant to the federal anti-kickback statute set forth at 42 U.S.C. §1320a-7b and implementing regulations. Sponsor is obligated if requested by the Secretary of the United States Department of Health and Human Services, or as otherwise required by applicable law, to report the Rebate amounts and to provide a copy of this notice. ESI will refrain from doing anything that would impede Sponsor from meeting any such obligation.

EXHIBIT B

AUDIT PROTOCOL

1. AUDIT PRINCIPLES

ESI recognizes the importance of its clients ensuring the integrity of their business relationship by engaging in annual audits of their financial arrangements with ESI, and, where applicable (i.e., Medicare Part D), by auditing compliance with applicable regulatory requirements. ESI provides this audit right to each and every client. In granting this right, ESI's primary interest is to facilitate a responsive and responsible audit process. In order to accomplish this goal, for all clients, ESI has established the following Protocol. Our intent is in no way to limit Sponsor's ability to determine that ESI has properly and accurately administered the financial aspects of the Agreement or complied with applicable regulatory requirements, but rather to create a manageable process in order to be responsive to our clients and the independent auditors that they may engage.

ESI strongly encourages clients to have their auditors, without jeopardizing the independent nature of the audit, review the auditor's initial findings and reports with ESI prior to discussing with the client in order to avoid any unnecessary client confusion. In addition, clients should not initiate a new audit until all parties have agreed that the prior audit is closed. We have found often times that items identified as issues during the initial audit turn out to be non-findings once a dialogue takes place between the auditor and ESI. In other words, we believe it is in everyone's interest to ensure that the auditor and ESI are not simply "missing each other" in the exchange of information prior to the auditor reviewing its findings with the client.

2. AUDIT PREREQUISITES

A. There are four components of your arrangement with ESI eligible for audit on an annual basis from February through October:

- Retrospective Claims
- Rebates
- Performance Guarantees
- Compliance with Regulatory Requirements (i.e., Medicare Part D)

Balancing the need to adequately support the audit process for all ESI clients, with an efficient allocation of resources, we encourage clients to audit all four components, as applicable, through a single annual audit. If you choose to audit the above components separately throughout the year, rather than combining all components into a single annual audit, you will be subject to ESI's standard charges for each additional audit. All such fees shall be reasonable and based on ESI's costs for supporting such additional audits.

B. ESI will provide all data reasonably necessary for Sponsor to determine that ESI has performed in accordance with contractual terms. ESI will use commercially reasonable best efforts to provide the retrospective claims and benefit information in no more than fifteen (15) days from audit kickoff call and having an executed confidentiality agreement. Our pledge to respond within the foregoing timeframe is predicated on a good faith and cooperative effort between Sponsor and/or its Auditor and ESI.

C. ESI engages a national accounting firm, at its sole cost and expense, to conduct a SSAE 16 audit on behalf of its clients. Upon request, ESI will provide the results of its most recent SSAE 16 audit. Testing of the areas covered by the SSAE 16 is not within the scope of Sponsor's audit rights (i.e., to confirm the financial aspects of the Agreement) and is therefore not permitted. However, if requested, ESI will explain the SSAE 16 audit process and findings to Sponsor in order for Sponsor to gain an understanding of the SSAE 16.

3. AUDITS

A. ESI recommends that the initial audit period for a claims audit cover a timeframe not to exceed twenty-four (24) months immediately preceding the request to audit (the "Audit Period"). This Audit Period allows a reasonable amount of time for both parties to conclude the audit before claims data is archived off the adjudication system. ESI will accommodate reasonable requests to extend the Audit Period, but this may delay ESI's response time to audit findings due to the age of the claims. Due to the additional resources necessary to pull claims data older than twenty-four (24) months, if you request to extend the Audit Period, you will be subject to ESI's standard charges for such additional data pulls. All such fees shall be reasonable and based on ESI's additional costs associated with retrieval and reporting of such data. If the parties mutually determine, acting in good faith, that the initial audit demonstrates in any material respects that ESI has not administered the financial arrangement consistent with the contract terms of the Agreement, then ESI will support additional auditing beyond the Audit Period at no additional charge.

B. CMS generally modifies its requirements for administering the Medicare Part D annually. For this reason, ESI recommends that the initial audit period for a Medicare Part D compliance audit cover a timeframe not to exceed the twelve (12) months immediately preceding the request to audit (collectively, the "Medicare Part D Audit Period"). This Medicare Part D Audit Period is intended to assist our clients with the CMS annual oversight requirements. Due to the additional resources necessary to pull data older than twelve (12) months, if you request to extend the Audit

Period, you will be subject to ESI's standard charges for such additional data pulls. All such fees shall be reasonable and based on ESI's additional costs associated with retrieval and reporting of such data.

C. When performing a Rebate audit, Sponsor may perform an on-site review of the applicable components of manufacturer agreements, selected by Sponsor, as reasonably necessary to audit the calculation of the Rebate payments made to Sponsor by ESI. Our ability to drive value through the supply chain and in our negotiations with manufacturers is dependent upon the strict confidentiality and use of these agreements. Providing access to these agreements to third parties that perform services in the industry beyond traditional financial auditing jeopardizes our ability to competitively drive value. For this reason, unless otherwise agreed by the Parties, access to and audit of manufacturer agreements is restricted to a mutually agreed upon CPA accounting firm whose audit department is a separate stand-alone division of the business, which carries insurance for professional malpractice of at least Two Million Dollars ($2,000,000).

D. ESI recommends that Sponsor select an initial number of manufacturer contracts to enable Sponsor to audit fifty percent (50%) of the total Rebate payments due to Sponsor for two (2) calendar quarters during the twelve (12) month period immediately preceding the audit (the "Rebate Audit Scope and Timeframe"). ESI will accommodate reasonable requests to extend this Rebate Audit Scope and Timeframe, but this may delay ESI's on-site preparation time as well as response time to audit findings. Due to the additional resources necessary to support a Rebate audit beyond the Rebate Audit Scope and Timeframe, if you request to extend the Rebate Audit Scope and Timeframe, you will be subject to ESI's standard charges for such additional audit support. All such fees shall be reasonable and based on ESI's additional costs. If the parties mutually determine, acting in good faith, that the initial Rebate audit demonstrates in any material respects that ESI has not administered Rebates consistent with the contract terms of the Agreement, then ESI will support additional auditing beyond the Rebate Audit Scope and Timeframe at no additional charge.

E. If you have a Pass-Through pricing arrangement for Participating Pharmacy claims, ESI will provide the billable and payable amount for a sampling of claims provided by you or your auditor (i.e., ESI will provide the actual documented claim record) during the audit to verify that ESI has administered such Pass-Through pricing arrangement consistent with the terms of the Agreement. If further documentation is required, ESI may provide a statistically valid sample of claims remittances to the Participating Pharmacies to demonstrate ESI's administration of Pass-Through pricing. In any instance where the audit demonstrates that the amount billed to you does not equal the Pass-Through amount paid to the Participating Pharmacy, you or your auditor may perform an on-site audit of the applicable Participating Pharmacy contract rate sheet(s).

4. AUDIT FINDINGS

A. Following Sponsor's initial audit, Sponsor (or its Auditor) will provide ESI with suspected errors, if any. In order for ESI to evaluate Sponsor's suspected errors, Sponsor shall provide an electronic data file in a mutually agreed upon format containing up to 300 claims for further investigation by ESI. ESI will use commercially reasonable best efforts to respond to the suspected errors in no more than sixty (60) days from ESI's receipt of such findings. Our pledge to respond within the foregoing timeframe is predicated on a good faith and cooperative effort between Sponsor and/or its Auditor and ESI.

B. Following Sponsor's initial audit of Medicare Part D compliance, Sponsor (or its Auditor) will provide ESI with a written report of suspected non-compliant issues, if any. In order for ESI to evaluate Sponsor's suspected errors, Sponsor shall provide ESI with specific regulatory criteria and Medicare Part D program requirements used to cite each suspected non-compliant and payment reconciliation issue. ESI will use commercially reasonable best efforts to respond to the audit report in no more than thirty (30) days from ESI's receipt of the report. Please be aware, however, that audits that require evaluation of six (6) or more findings typically require additional time to respond. Our pledge to respond within the foregoing timeframe is predicated on a good faith and cooperative effort between Sponsor and/or its Auditor and ESI.

C. Upon receipt and review of ESI's responses to Sponsor (or its Auditor), Sponsor (or its Auditor) will provide ESI with a written report of draft findings and recommendations. ESI will use commercially reasonable best efforts to respond to the audit report in no more than fifteen (15) days from ESI's receipt of the report. Our pledge to respond within the foregoing timeframe is predicated on a good faith and cooperative effort between Sponsor and/or its Auditor and ESI.

D. Sponsor agrees that once audit results are accepted by both parties, the audit shall be considered closed and final. To the extent the mutually accepted audit results demonstrate claims errors, ESI will reprocess the claims and make corresponding adjustments to Sponsor through credits to a future invoice(s). If we are unable to reprocess claims and issue corresponding credits to Sponsor through this process, ESI will make adjustments to Sponsor via a check or credit.

5. AUDITS BY GOVERNMENT ENTITIES

A. In the event CMS, the OIG, MEDIC, or another government agency has engaged in an audit of Sponsor and/or its "first tier" and "downstream entities", Sponsor shall contact the ESI Account Management team and provide a written copy of the audit notice or request from the government agency promptly upon receipt.

B. Sponsor agrees that CMS may have direct access to ESI's and any such "downstream entity's" pertinent contracts, books, documents, papers, records, premises and physical facilities, and that ESI and such "downstream entity" will provide requested information directly to CMS unless otherwise agreed upon by ESI and Sponsor.

C. Following the government audit of Sponsor and its "first tier" and "downstream entities", Sponsor shall provide ESI with a written report of suspected non-compliant issues noted in the government audit that relate to services provided by ESI, if any. If there are such findings, ESI will work with Sponsor and/or government agency to respond to any suspected non-compliant issues.

D. Support for all such audits by government entities will be subject to ESI's standard charges. All such fees shall be reasonable and based on ESI's costs for supporting such audits.

6. CONFIDENTIALITY

ESI's contracts are highly confidential and proprietary. For this reason, ESI only permits on-site review rather than provide copies to our clients. During on-site contract review, Sponsor (or its Auditor) may take and retain notes to the extent necessary to document any identified errors, but may not copy (through handwritten notes or otherwise) or retain any contracts (in part or in whole) or related documents provided or made available by ESI in connection with the audit. ESI will be entitled to review any notes to affirm compliance with this paragraph.

EXHIBIT C

BUSINESS ASSOCIATE AGREEMENT

Express Scripts, Inc. and one or more of its subsidiaries ("ESI"), and Sponsor or one of its affiliates ("Sponsor"), are parties to an agreement ("PBM Agreement") whereby ESI provides certain pharmacy benefit management services to the Sponsor's prescription drug plan (Sponsor and Sponsor's prescription drug plan collectively referred to hereinafter as "Plan"). The PBM Agreement addresses the parties' rights and obligations concerning the use and disclosure of patients' protected health information. The HIPAA Rules (as defined below) require ESI and Plan to enter into a "business associate agreement" to comply with applicable sections of the HIPAA Rules.

1. **Definitions.**

(a) "Breach" shall have the same meaning as the term "breach" in 45 C.F.R. § 164.402.

(b) "Designated Record Set" shall have the same meaning as the term "designated record set" in 45 C.F.R. § 164.501.

(c) "Electronic Health Record" shall mean an electronic record of health-related information on an Individual that is created, gathered, managed, and consulted by authorized health care clinicians and staff.

(d) "Electronic PHI" shall have the same meaning as the term "electronic protected health information" in 45 C.F.R. § 160.103.

(e) "HIPAA Rules" means the collective privacy, transaction and code sets, and security regulations promulgated pursuant to the Health Insurance Portability and Accountability Act, as codified at 45 C.F.R. Parts 160, 162 and 164, as amended from time to time.

(f) "Individual" shall have the same meaning as the term "individual" in 45 C.F.R. § 160.103 and shall include a person who qualifies as a personal representative in accordance with 45 C.F.R. § 164.502(g).

(g) "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 C.F.R. Part 160 and 45 C.F.R. Part 164, Subpart A and Subpart E, as amended from time to time.

(h) "Protected Health Information" or "PHI" shall have the same meaning as the term "protected health information" in 45 C.F.R. § 160.103, limited to the information created or received by ESI from or on behalf of Plan.

(i) "Required by Law" shall have the same meaning as the term "required by law" in 45 C.F.R. § 164.103.

(j) "Secretary" shall mean the Secretary of the Department of Health and Human Services or his/her designee.

(k) "Security Incident" shall have the same meaning as "security incident" in 45 C.F.R. § 164.304

(l) "Security Standards" shall mean the Security Standards, 45 C.F.R. Part 164, Subpart C, as amended from time to time.

(m) "Transactions Standards" shall mean the Standards for Electronic Transactions, 45 C.F.R. Part 162, Subpart I, as amended from time to time.

(n) "Unsecured PHI" shall have the same meaning as the term "unsecured protected health information" in 45 C.F.R. § 164.402.

Capitalized terms used, but not otherwise defined, in this Business Associate Agreement shall have the same meaning as those terms in the HIPAA Rules.

2. **General Use and Disclosure Provisions.** ESI and Plan acknowledge and agree as follows:

(a) *Use or Disclosure.* ESI agrees not to use or further disclose PHI other than as expressly permitted or required by this Business Associate Agreement or the HIPAA Rules or as Required by Law.

(b) *Minimum Necessary.* ESI will take reasonable efforts to limit requests for, use and disclosure of PHI to the minimum necessary to accomplish the intended request, use or disclosure.

(c) *Specific Use or Disclosure Provisions.* Except as otherwise limited in this Business Associate Agreement, ESI may use and disclose PHI to properly provide, manage and administer the services required under the PBM Agreement and consistent with applicable law to assist Plan in its operations, as long as such use or disclosure would not violate the HIPAA Rules if done by Plan, or such use or disclosure is expressly permitted in (i) through (iii) below:

(i) ESI may use PHI for the proper management and administration of ESI or to carry out ESI's legal responsibilities.

(ii) ESI may disclose PHI to third parties for the proper management and administration of ESI or to carry out the legal responsibilities of ESI provided that the disclosures are Required by Law, or ESI obtains reasonable assurances from the person to whom the information is disclosed that: (A) the information will remain confidential, (B) the information will be used or further disclosed only as Required by Law or for the purpose for which it was disclosed to the person, and (C) the person notifies ESI of any instances of which it is aware in which the confidentiality of the information has been breached.

(iii) ESI may use PHI to perform Data Aggregation services on behalf of Plan as permitted by 45 C.F.R. § 164.504(e)(2)(i)(B).

(d) *Reporting.* ESI agrees to promptly notify the Plan if ESI has knowledge that PHI has been used or disclosed by ESI in a manner that violates this Business Associate Agreement. To the extent that ESI creates, receives, maintains or transmits Electronic PHI, ESI agrees to report promptly to the Plan any Security Incident, as determined by ESI, involving PHI of which ESI becomes aware. ESI shall comply with 45 C.F.R. § 164.402 and shall, following the discovery of a Breach of Unsecured PHI, notify the Plan of such Breach, in accordance with 45 C.F.R. § 164.410.

(e) *Safeguards.* ESI agrees to use appropriate safeguards, consistent with applicable law, to prevent use or disclosure of PHI in a manner that would violate this Business Associate Agreement. ESI shall provide Plan with such information concerning such safeguards as Plan may reasonably request from time to time. To the extent that ESI creates, receives, maintains or transmits Electronic PHI, ESI agrees to use appropriate administrative, physical and technical safeguards, and comply with the Security Standards, to protect the confidentiality, integrity and availability of the Electronic PHI that ESI creates, receives, maintains or transmits on behalf of Plan.

(f) *Mitigation.* ESI agrees to mitigate, to the extent practicable, any harmful effect that is known to ESI of a use or disclosure of PHI by ESI in violation of this Business Associate Agreement or the PBM Agreement.

(g) *Subcontractors and Agents.* ESI agrees to ensure that any agent, including a Subcontractor, to whom it provides PHI received from, or created or received by ESI on behalf of Plan, agrees, in writing, to the same restrictions, terms and conditions that apply through this Agreement to ESI with respect to such information, including the requirement that it implement reasonable and appropriate safeguards and comply with Subpart C of 45 C.F.R. Part 164, to protect any Electronic PHI that is disclosed to it by ESI.

(h) *Access.* Within fifteen (15) business days of a request by Plan, ESI shall provide access to Plan to PHI in a Designated Record Set in order to meet the requirements under 45 C.F.R. § 164.524. If ESI receives a request directly from an Individual, or if requested by Plan that access be provided to the Individual, ESI shall provide access to the Individual to PHI in a Designated Record Set within thirty (30) days in order to meet the requirements under 45 C.F.R. § 164.524.

(i) *Amendment.* Within sixty (60) days of a request by Plan or subject Individual, ESI agrees to make any appropriate amendment(s) to PHI in a Designated Record Set that Plan directs or agrees to pursuant to 45 C.F.R. § 164.526.

(j) *Accounting.* Within thirty (30) days of a proper request by Plan, ESI agrees to document and make available to Plan, for a reasonable cost-based fee (under conditions permitted by HIPAA if an Individual requests an accounting more than once during a twelve month period), such disclosures of PHI and information related to such disclosures necessary to respond to such request for an accounting of disclosures of PHI, in accordance with 45 C.F.R. § 164.528. Within sixty (60) days of proper request by subject Individual, ESI agrees to make available to the Individual the information described above. ESI shall retain copies of any accountings for a period of six (6) years from the date the accounting was created.

(k) *Restrictions on Use or Disclosure.* Within fifteen (15) business days of a request of Plan, ESI agrees to consider restrictions on the use or disclosure of PHI agreed to by Plan on behalf of an Individual in accordance with 45 C.F.R. § 164.522.

(l) *Audit and Inspection.* ESI agrees to make internal practices, books, and records relating to the use and disclosure of PHI received from, or created or received by ESI on behalf of Plan, available to Plan within ten (10) business

days, or at the request of Plan or the Secretary, to the Secretary in a time and manner directed by the Secretary, for purposes of the Secretary determining Plan's compliance with the HIPAA Rules. Any release of information regarding ESI's practices, books and records is proprietary to ESI and shall be treated as confidential and shall not be further disclosed without the written permission of ESI, except as necessary to comply with the HIPAA Rules.

(m) *Privacy of Individually Identifiable Health Information.* To the extent ESI is to carry out one or more of Plan's obligations under Subpart E of 45 C.F.R. Part 164, ESI agrees to comply with the requirements of subpart E that apply to the covered entity in the performance of such obligations.

3. **Plan Obligations.**

(a) Plan shall notify ESI of any limitation(s) in the notice of privacy practices of Plan in accordance with 45 C.F.R. § 164.520, to the extent that such limitation may affect ESI's use or disclosure of PHI.

(b) Plan shall notify ESI of any changes in, or revocation of, permission by an Individual to use or disclose PHI, to the extent that such changes may affect ESI's use or disclosure of PHI.

(c) Plan shall notify ESI of any restriction to the use or disclosure of PHI that Plan has agreed to in accordance with 45 C.F.R. § 164.522, to the extent that such restriction may affect ESI's use or disclosure of PHI.

(d) Plan shall not request that ESI use or disclose PHI in any manner that would exceed that which is minimally necessary under the HIPAA Rules or that would not be permitted by a Covered Entity.

(e) Plan agrees that it will have entered into "Business Associate Agreements" with any third parties (e.g., case managers, brokers or third party administrators) to which Plan directs and authorizes ESI to disclose PHI.

4. **Transactions Standards.** The HIPAA Rules provide for certain Transactions Standards for transfer of data between trading partners. While certain of the standards may or may not be adopted by Plan (e.g., for eligibility), ESI will be prepared to accept the following in accordance with 45 C.F.R. Part 162.1502: ASC X12N 834 – Benefit Enrollment and Maintenance. In addition, to the extent applicable, ESI shall comply with other applicable transactions standards for claims processing functions between ESI and provider pharmacies. Each party hereby agrees that it shall not change any definition, data condition or use of a data element or segment in a standard, add any data elements or segment to the maximum defined data set, use any code or data elements that are either marked "not used" in the standard's implementation specification or are not in the implementation specification, or change the meaning or intent of the implementation specification.

5. **Material Breach of Business Associate Agreement; Termination.**

(a) Without limiting the termination rights of the parties pursuant to the PBM Agreement, upon either party's knowledge of a material breach by the other of this Business Associate Agreement, the non-breaching party shall notify the breaching party of such material breach and the breaching party shall have thirty (30) days to cure such material breach. In the event the breach is not cured, or cure is infeasible, the non-breaching party shall have the right to immediately terminate this Business Associate Agreement and the PBM Agreement or if cure of the material breach is infeasible, report the violation to the Secretary.

(b) To the extent feasible, upon termination of the PBM Agreement for any reason, ESI shall, and shall cause any subcontractors and agents to, return or destroy and retain no copies of all PHI received from, or created or received by ESI on behalf of, Plan. If ESI determines, in its sole discretion, that return or destruction of such information is not feasible, ESI shall continue to limit the use or disclosure of such information as set forth in this Agreement as if the PBM Agreement had not been terminated.

6. **Indemnification.** Each party (the "Indemnifying Party") shall indemnify and hold the other party and its officers, directors, employees and agents (each an "Indemnified Party") harmless from and against any claim, cause of action, liability, damage, cost or expense ("Liabilities") to which the Indemnified Party becomes subject to as a result of third party claims (including reasonable attorneys' fees and court or proceeding costs) brought against the Indemnified Party, which arise as a result of: (i) the material breach of this Business Associate Agreement by the Indemnifying Party; or (ii) the gross negligence or willful misconduct of the Indemnifying Party, except to the extent such Liabilities were caused by the Indemnified Party. A party entitled to indemnification under this Section 6 shall give prompt written notification to the Indemnifying Party of the commencement of any action, suit or proceeding relating to a third party claim for which indemnification is sought, subject to applicable confidentiality constraints. The Indemnifying Party shall be entitled to assume control of the defense of such action, suit, proceeding or claim with competent counsel of its choosing. Indemnification shall not be required if any claim is settled without the Indemnifying Party's consent, which such consent shall not be unreasonably withheld. **NOTWITHSTANDING THE FOREGOING PROVISIONS OF THIS SECTION 6, IN NO EVENT WILL AN INDEMNIFYING PARTY BE LIABLE TO AN INDEMNIFIED PARTY UNDER CONTRACT, TORT, OR ANY OTHER LEGAL THEORY FOR INCIDENTAL, CONSEQUENTIAL, INDIRECT, PUNITIVE, OR SPECIAL LOSSES OR DAMAGES OF ANY KIND.**

7. **Miscellaneous.**

(a) **Amendment**. The parties acknowledge that the foregoing provisions are designed to comply with the mandates of the HIPAA Rules. ESI shall provide written notice to Plan to the extent that any regulation or amendment to regulations promulgated by the Secretary requires changes to this Business Associate Agreement. Such written notice shall include any additional amendment required by any such final regulation and the Business Associate Agreement shall be automatically amended to incorporate the changes set forth in such amendment provided by ESI to Plan, unless Plan objects to such amendment in writing within fifteen (15) days of receipt of such written notice. In the event that Plan objects timely to such amendment, the parties shall work in good faith to reach agreement on an amendment to the Business Associate Agreement that complies with the final regulations. If the parties are unable to reach agreement regarding an amendment to the Business Associate Agreement within thirty (30) days of the date that ESI receives any written objection from Plan, either ESI or Sponsor may terminate this Business Associate Agreement upon ninety (90) days written notice to the other party. Any other amendment to this Business Associate Agreement unrelated to compliance with applicable law and regulations shall be effective only upon execution of a written agreement between the parties.

(b) **Effect on PBM Agreement**. Except as relates to the use, security and disclosure of PHI and electronic transactions, this Business Associate Agreement is not intended to change the terms and conditions of, or the rights and obligations of the parties under, the PBM Agreement.

(c) **No Third-Party Beneficiaries**. Nothing express or implied in the PBM Agreement or in this Business Associate Agreement is intended to confer, nor shall anything herein confer, upon any person other than the parties and the respective successors or assigns of the parties, any rights, remedies, obligations or liabilities whatsoever.

(d) **Interpretation**. Any ambiguity in this Business Associate Agreement shall be resolved in favor of a meaning that permits both parties to comply with the HIPAA Rules.

(e) **Effective Date**. This Business Associate Agreement shall be effective as of the effective date of the PBM Agreement.

EXHIBIT D
FINANCIAL DISCLOSURE TO ESI PBM CLIENTS

This disclosure provides an overview of the principal revenue sources of Express Scripts, Inc. and Medco Health Solutions, Inc. (individually and collectively referred to herein as "ESI"), as well as ESI's affiliates. In addition to administrative and dispensing fees paid to ESI by our clients for pharmaceutical benefit management ("PBM") services, ESI and its affiliates derive revenue from other sources, including arrangements with pharmaceutical manufacturers, wholesale distributors, and retail pharmacies. Some of this revenue relates to utilization of prescription drugs by members of the clients receiving PBM services. ESI may pass through certain manufacturer payments to its clients or may retain those payments for itself, depending on the contract terms between ESI and the client.

Network Pharmacies – ESI contracts for its own account with retail pharmacies to dispense prescription drugs to client members. Rates paid by ESI to these pharmacies may differ among networks (e.g., Medicare, Worker's Comp, open and limited), and among pharmacies within a network, and by client arrangements. PBM agreements generally provide that a client pays ESI an ingredient cost, plus dispensing fee, for drug claims. If the rate paid by a client exceeds the rate contracted with a particular pharmacy, ESI will realize a positive margin on the applicable claim. The reverse also may be true, resulting in negative margin for ESI. ESI also enters into pass-through arrangements where the client pays ESI the actual ingredient cost and dispensing fee amount paid by ESI for the particular claim when the claim is adjudicated to the pharmacy. In addition, when ESI receives payment from a client before payment to a pharmacy, ESI retains the benefit of the use of the funds between these payments. ESI may maintain non-client specific aggregate guarantees with pharmacies and may realize positive margin. ESI may charge pharmacies standard transaction fees to access ESI's pharmacy claims systems and for other related administrative purposes.

Brand/Generic Classifications – Prescription drugs may be classified as either a "brand" or "generic;" however, the reference to a drug by its chemical name does not necessarily mean that the product is recognized as a generic for adjudication, pricing or copay purposes. For the purposes of pharmacy reimbursement, ESI distinguishes brands and generics through a proprietary algorithm ("BGA") that uses certain published elements provided by First DataBank (FDB) including price indicators, Generic Indicator, Generic Manufacturer Indicator, Generic Name Drug Indicator, Innovator, Drug Class and ANDA. The BGA uses these data elements in a hierarchical process to categorize the products as brand or generic. The BGA also has processes to resolve discrepancies and prevent "flipping" between brand and generic status due to price fluctuations and marketplace availability changes. The elements listed above and sources are subject to change based on the availability of the specific fields. Updated summaries of the BGA are available upon request. Brand or generic classification for client reimbursement purposes is either based on the BGA or specific code indicators from Medi-Span or a combination of the two as reflected in the client's specific contract terms. Application of an alternative methodology based on specific client contract terms does not affect ESI's application of its BGA for ESI's other contracts.

Maximum Allowable Cost ("MAC")/Maximum Reimbursement Amount ("MRA") – As part of the administration of the PBM services, ESI maintains a MAC List of drug products identified as requiring pricing management due to the number of manufacturers, utilization and/or pricing volatility. The criteria for inclusion on the MAC List are based on whether the drug has readily available generic product(s), is generally equivalent to a brand drug, is cleared of any negative clinical implications, and has a cost basis that will allow for pricing below brand rates. ESI also maintains MRA price lists for drug products on the MAC List based on current price reference data provided by MediSpan or other nationally recognized pricing source, market pricing and availability information from generic manufacturers and on-line research of national wholesale drug company files, and client arrangements. Similar to the BGA, the elements listed above and sources are subject to change based on the availability of the specific fields. Updated summaries of the MAC methodology are available upon request.

Manufacturer Programs Formulary Rebates, Associated Administrative Fees, and PBM Service Fees – ESI contracts for its own account to obtain formulary rebates attributable to the utilization of certain brand drugs and supplies (and possibly certain authorized generics marketed under a brand manufacturer's new drug application). Formulary rebate amounts received vary based on client specific utilization, the volume of utilization as well as formulary position applicable to the drug or supplies, and adherence to various formulary management controls, benefit design requirements, claims volume, and other similar factors, and in certain instances also may vary based on the product's market-share. ESI often pays an amount equal to all or a portion of the formulary rebates it receives to a client based on the client's PBM agreement terms. ESI or its affiliates may maintain non-client specific aggregate guarantees and may realize positive margin. In addition, ESI provides administrative services to contracted manufacturers, which include, for example, maintenance and operation of systems and other infrastructure necessary for invoicing and processing rebates, pharmacy discount programs, access to drug utilization data, as allowed by law, for purposes of verifying and evaluating applicable payments, and for other purposes related to the manufacturer's products. ESI receives administrative fees from the participating manufacturers for these services. These administrative fees are calculated based on the price of the drug or supplies along with the volume of utilization and do not exceed the greater of (i) 4.58% of the average wholesale price, or (ii) 5.5% of the wholesale acquisition cost of the products. In its capacity as a PBM company, ESI also may receive other compensation from manufacturers for the performance of various programs or services, including, for example, formulary compliance initiatives, clinical services, therapy management services, education services, inflation protection programs, medical benefit management services, cost containment programs, discount programs, and the sale of non-patient identifiable claim information. This compensation is not part of the formulary rebates or associated administrative fees, and ESI may realize positive margin between amounts paid to clients and amounts received from pharmaceutical manufacturers. ESI retains the financial benefit of the use of any funds held until payment is made to the client.

Copies of ESI's standard formularies may be reviewed at www.express-scripts.com/wps/portal/. In addition to formulary considerations, other plan design elements are described in ESI's Plan Design Review Guide, which may be reviewed at www.express-scripts.com/wps/portal/.

ESI Subsidiary Pharmacies – ESI has several licensed pharmacy subsidiaries, including our specialty pharmacies. These entities may maintain product purchase discount arrangements and/or fee-for-service arrangements with pharmaceutical manufacturers, wholesale distributors, and other health care providers. These subsidiary pharmacies contract for these arrangements on their own account in support of their various pharmacy operations. Many of these subsidiary arrangements relate to services provided outside of PBM arrangements, and may be entered into irrespective of whether the particular drug is on one of ESI's national formularies. Discounts and fee-for-service payments received by ESI's subsidiary pharmacies are not part of the PBM formulary rebates or associated administrative fees paid to ESI in connection with ESI's PBM formulary rebate programs. However, certain purchase discounts received by ESI's subsidiary pharmacies, whether directly or through ESI, may be considered for formulary purposes if the value of such purchase discounts is used by ESI to supplement the discount on the ingredient cost of the drug to the client based on the client's PBM agreement terms. From time to time, ESI and its affiliates also may pursue and maintain for its own account other supply chain sourcing relationships not described below as beneficial to maximize ESI's drug purchasing capabilities and efficiencies, and ESI or affiliates may realize an overall positive margin with regard to these initiatives.

The following provides additional information regarding examples of ESI subsidiary discount arrangements and fee-for-service arrangements with pharmaceutical manufacturers, and wholesale distributors:

ESI Subsidiary Pharmacy Discount Arrangements – ESI subsidiary pharmacies purchase prescription drug inventories, either from manufacturers or wholesalers, for dispensing to patients. Often, purchase discounts off the acquisition cost of these products are made available by manufacturers and wholesalers in the form of either up-front discounts or retrospective discounts. These purchase discounts, obtained through separate purchase contracts, are not formulary rebates paid in connection with our PBM formulary rebate programs. Drug purchase discounts are based on a pharmacy's inventory needs and, at times, the performance of related patient care services and other performance requirements. When a subsidiary pharmacy dispenses a product from its inventory, the purchase price paid for the dispensed product, including applicable dispensing fees, may be greater or less than that pharmacy's acquisition cost for the product net of purchase discounts. In general, our pharmacies realize an overall positive margin between the net acquisition cost and the amounts paid for the dispensed drugs.

ESI Subsidiary Fee-For-Service Arrangements – One or more of ESI's subsidiaries, including, but not limited to, its subsidiary pharmacies also may receive fee-for-service payments from manufacturers, wholesalers, or other health care providers in conjunction with various programs or services, including, for example, patient assistance programs for indigent patients, dispensing prescription medications to patients enrolled in clinical trials, various therapy adherence and fertility programs, administering FDA compliance requirements related to the drug, 340B contract pharmacy services, product reimbursement support services, and various other clinical or pharmacy programs or services. As a condition to having access to certain products, and sometimes related to certain therapy adherence criteria or FDA requirements, a pharmaceutical manufacturer may require a pharmacy to report selected information to the manufacturer regarding the pharmacy's service levels and other dispensing-related data with respect to patients who receive that manufacturer's product. A portion of the discounts or other fee-for-service payments made available to our pharmacies may represent compensation for such reporting.

Other Manufacturer Arrangements – ESI also maintains other lines of business that may involve discount and service fee relationships with pharmaceutical manufacturers and wholesale distributors. Examples of these businesses include a wholesale distribution business, group purchasing organizations (and related group purchasing organization fees), a medical benefit management company, and United BioSource Corporation ("UBC"). Compensation derived through these business arrangements is not considered for PBM formulary placement, and is in addition to other amounts described herein. Of particular note, UBC partners with life sciences and pharmaceutical companies to develop, commercialize, and support safe, effective use and access to pharmaceutical products. UBC maintains a team of research scientists, biomedical experts, research operations professionals, technologists and clinicians who work with clients to conduct and support clinical trials, create, and validate and administer pre and post product safety and risk management programs. UBC also works on behalf of pharmaceutical manufacturers to provide product and disease state education programs, reimbursement assistance, and other support services to the public at large. These service fees are not part of the formulary rebates or associated administrative fees.

Third Party Data Sales – Consistent with any client contract limitations, ESI or its affiliates may sell HIPAA compliant information maintained in their capacity as a PBM, pharmacy, or otherwise to data aggregators, manufacturers, or other third parties on a fee-for-service basis or as a condition of discount eligibility. All such activities are conducted in compliance with applicable patient and pharmacy privacy laws and client contract restrictions.

October 1, 2015

THIS EXHIBIT REPRESENTS ESI'S FINANCIAL POLICIES. ESI MAY PERIODICALLY UPDATE THIS EXHIBIT AND THE FINANCIAL DISCLOSURES CONTAINED HEREIN TO REFLECT CHANGES IN ITS BUSINESS PROCESSES; THE CURRENT FINANCIAL DISCLOSURE IS AVAILABLE UPON REQUEST AND ACCESSIBLE ON EXPRESS-SCRIPTS.COM AT WWW. EXPRESS-SCRIPTS.COM/WPS/PORTAL/.

EXHIBIT E

PERFORMANCE STANDARDS

In the event that any failure by ESI to meet any performance standard is due to a "force majeure" as defined in the Agreement, failure of Sponsor to perform its obligations under the Agreement, or actions or inactions of Sponsor that adversely impact ESI's ability to maintain the subject standard (e.g., faulty eligibility, changes in benefit design not adequately communicated to Members and benefit designs that substantially change the Members' rights under the Plan), ESI will be excused from compliance with such performance standards until such circumstances have been resolved and any existing backlogs or other related effects have been eliminated.

Within ninety (90) days after the end of each year, ESI shall report to Sponsor ESI's performance under each performance standard. Notwithstanding the foregoing, for purposes of determining whether ESI has met or failed to meet each performance standard, performance standards will be measured and reconciled on an annual basis and amounts due resulting from an ESI failure to meet any performance standard(s), if any, shall be calculated and paid to Sponsor within thirty (30) days following Sponsors receipt of reconciliation report.

No performance penalties, if any, will be paid until this Agreement is executed by Sponsor. In no event will the sum of the payments to Sponsor, as a result of ESI's failure to meet the performance standards exceed $10.00 per Member per year for the annual performance standards.

Performance standards for ESI's Mail Service Pharmacy assume a minimum of 1,000 Mail Service Pharmacy prescriptions submitted annually.

Sponsor may reallocate performance guarantee penalty amounts across each guarantee listed in this Exhibit provided, that (i) no greater than 20% of the total performance guarantee risk pool can be allocated to an individual guarantee, (ii) any reallocation is provided in writing to ESI no later than 30 days prior to the start of each contract year, and (iii) the sum of all penalty allocations equal 100% of the total performance guarantee risk pool.

The following performance standards are based on 10,930 members as of the effective date and throughout the term. Any material change below such number may result in a renegotiation of the standards and penalties set forth below.

Performance standards are for Commercial Benefit only.

Service Feature	Standard	Penalty
Implementation (for new Connecticut Coalition Member Groups only)		
Implementation and Start-up	Express Scripts will guarantee the implementation of Sponsor to be completed in accordance within the mutually agreed upon timelines. Each of ESI' standards is dependent upon receiving specific information from Sponsor. Loading of eligibility and production of ID cards are dependent upon receiving group structure and benefit plan design sign-off from Sponsor. A delay in receipt of data or information from Sponsor may require rescheduling of all subsequent deliverable dates. The recommended implementation time frame is 90 days. The implementation performance guarantee is a one-time only guarantee valid 90 days from Sponsor's effective date. ESI shall provide a draft Implementation Guarantee Tracking Document at implementation kick off meeting. Implementation Performance Guarantees must be agreed to and documented within thirty (30) days of the kick off meeting or they will be considered void.	The following dollars will be paid to Sponsor if ESI does not complete the deliverables by the dates noted in the performance standard, assuming that Sponsor has provided the information necessary to complete these deliverables: Benefit Plan Design — $0.00 Eligibility Load — $0.00 ID Cards — $0.00 Toll-Free Telephone Number — $0.00 Initial File Loads: Claims History —$0.00 Initial File Loads: Prior Authorization History — $0.00 Initial File Loads: Open Refill Transfers - $0.00 The above reference our standard Implementation PGs. The maximum implementation penalty will be $0.00.

Service Feature	Standard	Penalty
Implementation Satisfaction	ESI agrees to provide an Implementation satisfaction assessment. The assessment will be comprised of specific implementation project plan milestones and any new solutions/business practices that were created by both parties throughout the process. A satisfaction rating of 1-5 will be used based on meeting the milestone dates and/or if the new solutions/business practices fulfilled the business requirement need. ESI guarantees an average rating of 4 or greater. This is dependent on the Sponsor providing the necessary information by the agreed upon dates. 5 – Date met or exceeded with anticipated results and/or solution better than business requirement need 4 – Date met with anticipated results and/or solution fulfilled business requirement need 3 – Date missed by one (1) business day or more, but less than seven (7) business days, due to fault of ESI and/or solution fulfilled minimal business requirement 2 – Date missed by seven (7) business days or more, but less than fourteen (14) business days, due to fault of ESI and/or solution fulfilled partial business requirement 1 – Date missed by fourteen (14) or more business days due to fault of ESI and/or solution did not fulfil any part of business requirement Implementation Performance Guarantees must be agreed to and documented within thirty (30) days of the kick off meeting or they will be considered void.	ESI will pay $0.00 for an average rating less than 4. ESI will pay $0.00 for an average rating less than or equal to 3. ESI will pay $0.00 for an average rating less than or equal to 2. ESI will pay $0.00 for an average rating less than or equal to 1. In no event shall the total penalty exceed $0.00.
Account Management		
Account Management Performance Guarantee Survey	ESI agrees to provide an annual Account Management Satisfaction Survey. ESI guarantees that the Sponsor's overall satisfaction with Account Management will be greater than or equal to Meets Expectations. For the purposes of this guarantee, Sponsor's rating shall be defined on the following scale: Exceeds Expectations, Meets Expectations, Does Not Meet Expectations in any contract year. ESI shall be responsible for survey design, data collection, analysis, and all costs associated with conducting the surveys.	ESI will put $21,860.00 as a total amount of penalty at risk.
Client Services Administration		
Client-Specific Member Satisfaction Survey	One random sample member survey will be completed annually specific to the Sponsor. ESI guarantees a patient satisfaction rate of 90% or greater based on overall satisfaction. Guarantee assumes the number of responses is statistically significant.	ESI will put $16,395.00 as a total amount of penalty at risk.
Contact Center		
Average Speed of Answer	ESI guarantees that calls will be answered in an average of 30 seconds or less. This guarantee is predicated on the installation of a toll-free number unique to the sponsor. Measurement includes calls routed to the IVR.	ESI will pay Sponsor $0.00 for each full second above the standard 30 seconds on an annual basis. The maximum annual penalty will be $0.00. The calculation will be based on the average speed of answer.
Blockage Rate (Busy Signal)	ESI will guarantee a blockage rate of 1% or less. Blockage is defined as a caller receiving a busy signal. Measured at a book of business level.	ESI will pay Sponsor $0.00 for each full percentage point above the standard 1% on an annual basis. The maximum annual

Service Feature	Standard	Penalty
		penalty will be $0.00. The calculation will be based on the blockage percentage.
Percent of Calls Abandoned	The Telephone Abandonment Rate of the Member Service Telephone Line will be 3% or less of all incoming calls received during each Contract Year.	ESI will pay Sponsor $0.00 for each full percentage point above the standard 3% on an annual basis. The maximum annual penalty will be $0.00. The calculation will be based on the average percentage of calls abandoned.
Home Delivery Pharmacy		
Dispensing Accuracy	The Dispensing Accuracy Rate for each Contract Year will be 99.996% or greater. Guarantee is measure at book of business.	ESI will pay Sponsor $0.00 for each full percentage point below the standard of 99.996% on an annual basis. The maximum annual penalty will be $0.00. The calculation will be based on the average prescription accuracy.
Turnaround Time for Routine (Clean) Prescriptions	ESI guarantees to dispense prescriptions not subject to intervention within an average of two (2) business days.	ESI will pay Sponsor $0.00 for each full day above the standard two (2) business days on an annual basis. The maximum annual penalty will be $0.00.
Turnaround Time for Prescriptions Subject to Intervention	ESI guarantees to dispense prescriptions subject to intervention within an average of four (4) business days.	ESI will pay Sponsor $0.00 for each full day above the standard four (4) business days on an annual basis. The maximum annual penalty will be $0.00
Data Systems		
Data Systems Availability and Adjudication	ESI guarantees an annual average 99% system availability of the point-of-sale adjudication system on a book of business basis. This guarantee excludes systems downtime attributed to regularly scheduled systems maintenance or systems downtime attributed to telecommunications failure or other circumstances outside the control of ESI.	ESI will pay Sponsor $0.00 for each full percentage point which the yearly average of the online computer systems availability is below 99%. The maximum annual penalty for availability and adjudication will be $0.00.
Reporting		
Timely Production of Management Reports-	ESI guarantees access to the online Trend Central reporting suite will be available within an annual average of fifteen (15) business days after the billing cycle that contains the last day of the month.	ESI will put $0.00 as a total amount of penalty at risk.
Claims Detail Files	ESI guarantees that all claims detail files sent to external vendors will be provided within eight (8) days of scheduled delivery date	ESI will put $0.00 as a total amount of penalty at risk.
Replacement ID Card Production		
Timely Production of Replacement ID Cards	ESI guarantees that standard replacement ID cards will be produced within an annual average of five (5) business days of the receipt and update of machine-readable eligibility information.	ESI will put $0.00 as a total amount of penalty at risk.
Eligibility		
Eligibility — Timeliness of Installations	Accurate and complete eligibility files electronically transmitted by 10:00 A.M. EST, via secured processes acceptable to ESI, will be updated within one (1) business day of receipt.	ESI will put $0.00 as a total amount of penalty at risk.
Retail Pharmacy Network		
Network Pharmacy Geographic Access	ESI guarantees that at least 95% of members, based on client-supplied eligibility, will have access to a network pharmacy within a five-mile radius of their residence in the National Plus Network, if there is an existing pharmacy within that radius. ESI has 90 days to cure, if the percent drops below the above stated percentages.	ESI will pay Sponsor $0.00 if this standard is not met.

Service Feature	Standard	Penalty
	This standard will be measured and reported annually using information provided by GeoAccess or similar service.	
On-site Network Audits	ESI guarantees that 4% of pharmacies that adjudicated at least 250 claims annually will be audited on-site based across our book of business. This standard will be measured and reported annually.	ESI will pay Sponsor $16,395.00 if this standard is not met.
Benefit Changes		
Benefit Additions or Changes — Accuracy	ESI guarantees a 98.5% set up accuracy based upon the receipt of complete information on a signed benefit add/change form from the client.	ESI will pay Sponsor $16,395.00 per every full percentage point below the standard. Payment based on annual average with total maximum payout of $16,395.00.
POS Claims Accuracy		
POS Accuracy	ESI guarantees that 99% of POS claims will be processed accurately. This is contingent upon the claims adjudication system being 100% accurate, which will be tested prior to contract start date and signed off on.	ESI will put $0.00 as a total amount of penalty at risk.
Account Service		
Account Service Reporting	ESI guarantees that standard reports provided by ESI will be delivered within thirty (30) business days after the reporting period. Reports requiring customization will be delivered on a mutually agreed upon date.	ESI will pay $0.00 for every quarter the standard is not met. ESI will put $TBD as a total amount of penalty at risk.
Account Team Continuity	ESI guarantees that, except for circumstances beyond ESI's control (such as promotions, resignations, leave, etc.), Sponsor's designated account team will remain constant for at least the first eighteen (18) months of the contract period, unless a change in account management staff is requested by Participating Member Groups or the Connecticut Coalition.	ESI will put $0.00 as a total amount of penalty at risk.
Paper Claims		
Paper Claims Requiring No Development Processing Time	ESI guarantees member-submitted paper claims requiring no development (clean) will be processed within an average of 10 business days.	ESI will put $0.00 as the total amount of penalty at risk.
Paper Claims Requiring Development Processing Time	ESI guarantees member-submitted paper claims requiring development (non-clean) will be processed within an average of 14 business days.	ESI will put $0.00 as the total amount of penalty at risk.
Customer Service		
Customer Service — First Call Resolution	ESI guarantees that 94% or greater of patient calls will be resolved on the first call.	ESI will pay Sponsor $16,395.00 for each full percentage point below 94%. The maximum annual penalty will be $16,395.00.
Customer Service Response Time to Written Inquiries	ESI will guarantee that annually 95% or more of written inquiries will be responded to within five (5) business days and that annually 100% of written inquiries will be responded to within ten (10) business days.	ESI will put $0.00 as a total amount of penalty at risk.
Client Satisfaction	ESI agrees to provide an annual Client Satisfaction Survey. ESI guarantees that the Sponsor's overall satisfaction with ESI will be greater than or equal to an average of 5 on a scale of 1 to 7. ESI shall be responsible for survey design, data collection, analysis, and all costs associated with conducting the surveys.	ESI will put $21,860.00 as a total amount of penalty at risk.

EXHIBIT F

Employer-Only Sponsored Group Waiver Plan (EGWP) Addendum

1. **Construction.** Unless otherwise stated herein, the terms and conditions of the Agreement shall apply to services provided by ESI by and through its affiliate, Medco Containment Life Insurance Company, a Pennsylvania corporation, ("MCLIC") only insofar as such services are provided to Sponsor's EGWP Members (as defined herein). In addition, the terms and conditions set forth in this EGWP Addendum shall apply to services provided by MCLIC to Sponsor's EGWP Members. In the event there is a conflict between the terms and conditions in the Agreement and in this EGWP Addendum, the terms and conditions in this EGWP Addendum shall control, but only as they relate to services provided to EGWP Members. Capitalized terms not otherwise defined in this EGWP Addendum shall have the meaning ascribed to them in the Agreement.

2. **Acknowledgements.** The parties agree and acknowledge as follows:

   A. MCLIC is an approved CMS-contracted prescription drug plan ("PDP") sponsor for an Employer Group Waiver Plan PDP in accordance with CMS regulations and has received approval from the Centers for Medicare and Medicaid Services ("CMS") to serve as a Prescription Drug Plan Sponsor (a "PDP Sponsor") and to provide prescription drug coverage that meets the requirements of, and pursuant to, the Voluntary Prescription Drug Benefit Program set forth in Part D of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003, 42 U.S.C. §1395w-101 through 42 U.S.C. §1395w-152 (the "Act") and all applicable and related rules, regulations, and guidance promulgated, issued or adopted by CMS or other governmental agencies with jurisdiction over enforcement of the Act, including, but not limited to, 42 C.F.R. §423.1 through 42 C.F.R. §423.910 (with the exception of Subparts Q, R, and S), and the terms of any PDP Sponsor contract between CMS and MCLIC (collectively, the "Medicare Drug Rules"); and

   B. Pursuant to the waivers granted by CMS under 42 U.S.C. §1395w-132(b), MCLIC offers employer-only sponsored group waiver plans ("EGWPs") to employers that wish to provide prescription drug benefits to their Part D Eligible Retirees (as defined below) in accordance with the Medicare Drug Rules; and

   C. MCLIC provides services hereunder through itself and its affiliates, including Express Scripts, Inc. ("ESI"); and

   D. Sponsor currently provides a prescription drug benefit (the "Current Benefit") to its Part D Eligible Retirees (as defined below) pursuant to a non-Medicare, self-insured welfare benefit plan; and

   E. Sponsor desires to contract with MCLIC to offer a prescription drug benefit to Sponsor's Part D Eligible Retirees pursuant to an EGWP that is substantially similar in design to the Current Benefit (the "EGWP Benefit," as further defined below); and

   F. Provided that the EGWP Benefit meets the actuarial equivalence standards of the Medicare Drug Rules, as more fully described below, MCLIC desires to offer the EGWP Benefit to Sponsor's Part D Eligible Retirees in accordance with the Medicare Drug Rules and pursuant to the terms and conditions of the Agreement and this EGWP Addendum.

3. **Definitions.**

"Commercial Benefit" means the prescription drug benefit covering Sponsor's Members and administered pursuant to the Agreement.

"Coverage Gap" means the stage of the benefit between the initial coverage limit and the catastrophic coverage threshold, as described in the Medicare Part D prescription drug program administered by the United States federal government.

"Coverage Gap Discount" means the manufacturer discounts available to eligible Medicare Part D beneficiaries receiving applicable, covered Medicare Part D drugs, while in the Coverage Gap.

"Coverage Gap Discount Program" means the Medicare program that makes manufacturer discounts available to eligible Medicare Part D beneficiaries receiving applicable, covered Medicare Part D drugs, while in the Coverage Gap.

"EGWP Eligibility File" means the list(s) submitted by Sponsor to MCLIC, in accordance with Article II, indicating the Part D Eligible Retirees that Sponsor has submitted for enrollment in the EGWP Benefit, as verified by MCLIC through CMS eligibility files. For all other purposes under the Agreement, the "EGWP Eligibility File" shall also be considered an "Eligibility File."

"EGWP Benefit" means the prescription drug benefit to be administered by MCLIC under this EGWP Addendum, as defined in the Recitals above and as further described in the Sponsor plan document, its summary plan description, and its summary of benefits, as may be amended from time to time in accordance with the terms of this EGWP Addendum.

"EGWP Member" means each Part D Eligible Retiree who is enrolled in the EGWP Benefit in accordance with the terms of this EGWP Addendum. For all other purposes under the Agreement, every EGWP Member shall also be deemed to be a Member.

"EGWP Plus" means a prescription drug benefit plan design that provides non-Medicare EGWP coverage supplemental to the standard Part D benefit, and is defined by CMS as other health or prescription drug coverage, and as such, the Coverage Gap Discount is applied before any additional coverage beyond the standard Part D benefit.

"Late Enrollment Penalty" or "LEP" means the financial penalty incurred under the Medicare Drug Rules by Medicare Part D beneficiaries who have had a continued gap in creditable coverage of sixty-three (63) days or more after the end of the beneficiary's initial election period, adjusted from time to time by CMS.

"Medicare Formulary" means the list of prescription drugs and supplies developed, implemented and maintained in accordance with the Medicare Drug Rules for the EGWP Benefit.

"Medicare Rebate Program" means MCLIC's or its affiliates' manufacturer rebate program under which MCLIC or its affiliates contract with pharmaceutical manufacturers for Rebates payable on selected Covered Drugs that are reimbursed, in whole or in part, through Medicare Part D, as such program may change from time to time.

"Part D" or "Medicare Part D" means the Voluntary Prescription Drug Benefit Program set forth in Part D of the Act.

"Part D Eligible Retiree" means an individual who is (a) eligible for Part D in accordance with the Medicare Drug Rules, (b) not enrolled in a Part D plan (other than the EGWP Benefit), and (c) eligible to participate in Sponsor's Current Benefit.

"Prescription Drug Plan" or "PDP" shall have the meaning set forth in the Medicare Drug Rules.

"True Out-of-Pocket Costs" or "TrOOP" means costs incurred by an EGWP Member or by another person on behalf of an EGWP Member, such as a deductible or other cost-sharing amount, with respect to Covered Drugs, as further defined in the Medicare Drug Rules.

"Vaccine Claim" means a claim for a Covered Drug which is a vaccine.

4. Plan Status Under Applicable Laws; Enrollment and Disenrollment in the EGWP Benefit.

A. Medicare Part D. Sponsor and MCLIC acknowledge and agree as follows:

1. The design of and administration of the EGWP Benefit is subject to the applicable requirements of the Medicare Drug Rules. Sponsor shall provide all information and documents as may be reasonably required to administer the EGWP Benefit.

2. If the number of Sponsor's Part D Eligible Retirees is materially reduced or eliminated for any reason, MCLIC may communicate with those persons at MCLIC's expense regarding alternative Medicare Part D options, including alternative Medicare Part D services offered by MCLIC or one or more of its affiliates, and the program pricing terms hereunder may be equitably modified by MCLIC to reflect the reduction or elimination of the number of Part D Eligible Retirees.

B. Group Enrollment. Subject to each individual's right to opt out, as described below, Sponsor shall enroll Part D Eligible Retirees in the EGWP Benefit through a group enrollment process, as further described in and permitted under the Medicare Drug Rules. Sponsor agrees that it will comply with all applicable requirements for group enrollment in EGWPs as set forth in the Medicare Drug Rules, and as described and required by MCLIC's policies and procedures.

C. EGWP Eligibility File. No later than sixty (60) days prior to the Effective Date and the first day of each EGWP Benefit enrollment period thereafter, so long as this EGWP Addendum is in effect, Sponsor shall provide an EGWP Eligibility File to MCLIC via the communication medium reasonably requested by MCLIC that lists those Part D Eligible Retirees for whom Sponsor intends to make application for enrollment in the EGWP Benefit (i.e., those Part D Eligible Retirees who have not opted out of the group enrollment process) for that contract year. Sponsor represents and warrants that all information it provides to MCLIC in the EGWP Eligibility File will be complete and correct. Sponsor shall communicate all new enrollments (i.e., individuals who become eligible to participate in the EGWP Benefit outside of an annual election period), requested retroactive enrollments of Part D Eligible Retirees, and disenrollments from the EGWP Benefit via the communication medium reasonably requested by MCLIC. MCLIC agrees to process retroactive enrollment requests pursuant to the requirements of the Medicare Drug Rules.

D. Implementation.

1. MCLIC's Responsibilities. MCLIC shall implement the EGWP Eligibility File following confirmation of the Medicare Part D eligibility of the Part D Eligible Retirees listed on the EGWP Eligibility File with CMS eligibility files. A Part D Eligible Retiree will not be enrolled in the EGWP Benefit unless such individual is listed on both the EGWP Eligibility File submitted by Sponsor and the CMS eligibility files. Sponsor acknowledges and agrees that MCLIC may update in the EGWP Eligibility File any information concerning Part D Eligible Retirees upon receipt of corrected information from CMS, and MCLIC may use such corrected information to obtain a Part D Eligible Retiree's enrollment. For all Part D Eligible Retirees that have been included by Sponsor in the EGWP Eligibility File, but who are ultimately determined to be ineligible for participation in the EGWP Benefit, MCLIC or its affiliates shall notify the individual of his or her ineligibility in the EGWP Benefit and take all other action as required by applicable law. MCLIC shall communicate to Sponsor any changes to a Part D Eligible Retiree's information in the EGWP Eligibility File based upon updates or corrections received from CMS.

2. Incomplete EGWP Eligibility File Information. Sponsor's submission to MCLIC of an inaccurate or incomplete EGWP Eligibility File (e.g., missing Health Insurance Claim Number, date of birth, last name, first name, gender, address, etc.) or otherwise incomplete information with respect to any individual Part D Eligible Retiree may result in a rejection of the Part D Eligible Retiree's enrollment in the EGWP Benefit. Sponsor acknowledges and agrees that MCLIC may contact Sponsor's Part D Eligible Retirees to obtain the information required hereunder and that MCLIC will update the EGWP Eligibility File on Sponsor's behalf to reflect additional information needed to complete enrollment of the Part D Eligible Retirees. If MCLIC, using reasonable efforts, is not able to obtain all missing information from a Part D Eligible Retiree within twenty-one (21) days after receiving Sponsor's initial request for enrollment of the Part D Eligible Retiree in the EGWP Benefit, then Sponsor's request shall be deemed cancelled and MCLIC or its

affiliates shall notify the individual of his or her enrollment denial and non-enrollment in the EGWP Benefit and shall take all other action as required by applicable law.

3. Effective Date of Enrollment into EGWP Benefit. Notwithstanding any provision of this EGWP Addendum to the contrary, the effective date of enrollment for any Part D Eligible Retiree who MCLIC seeks to enroll in the EGWP Benefit hereunder shall be the date of enrollment requested for that Part D Eligible Retiree by Sponsor on the EGWP Eligibility File, subject to any adjustments that MCLIC may make relating to eligibility verification or eligibility processing rules reasonably agreed upon by the parties.

E. Involuntary Disenrollment. If Sponsor determines that an EGWP Member is no longer eligible to participate as an EGWP Member in the EGWP Benefit for reasons such as loss of Sponsor's eligibility or residence outside of the service area (an "Ineligible Enrollee"), Sponsor shall notify MCLIC at least twenty-five (25) days before disenrollment effective date. Such Ineligible Enrollee shall be notified about involuntary disenrollment and disenrolled in accordance with the Medicare Drug Rules. If CMS determines that an EGWP Enrollee is no longer eligible to participate as an EGWP Enrollee in the EGWP Benefit (an "Ineligible Enrollee"), upon notification to MCLIC, such Ineligible Enrollee shall be notified and disenrolled in accordance with the Medicare Drug Rules.

F. Voluntary Disenrollment. If an EGWP Member makes a voluntary request to be disenrolled from the EGWP Benefit (the "Voluntary Disenrollee") to Sponsor, then Sponsor shall notify MCLIC within two (2) business days of its receipt of the request for disenrollment, in a manner and format agreed upon by the parties. If Sponsor does not timely notify MCLIC of such Voluntary Disenrollee's disenrollment in the EGWP Benefit, then MCLIC shall submit a retroactive disenrollment request to CMS. Sponsor acknowledges that CMS may only grant up to a ninety (90) day retroactive disenrollment in such instances. If the Voluntary Disenrollee makes his or her request directly to MCLIC, then MCLIC shall direct the Voluntary Disenrollee to initiate the disenrollment with the Sponsor.

G. Group Disenrollment. If, upon the expiration of the then current term of this EGWP Addendum, Sponsor plans to disenroll its EGWP Members from the EGWP Benefit using a group disenrollment process, then Sponsor shall implement the following procedures:

1. Notification to EGWP Members. Sponsor shall provide at least twenty-one (21) days (or such other minimum days' notice as required by the Medicare Drug Rules, if longer) prior written notice to each EGWP Member that Sponsor plans to disenroll him or her from the EGWP Benefit and shall include with such written notification an explanation as to how the EGWP Member may contact CMS for information on other Medicare Part D options that might be available to the EGWP Member; and

2. Information to MCLIC. Sponsor shall provide all the information to MCLIC that is required for MCLIC to submit a complete disenrollment request transaction to CMS, as set forth in the Medicare Drug Rules. Sponsor shall transmit the complete and accurate disenrollment file to MCLIC: (i) no later than twenty-five (25) days prior to the group disenrollment effective date, and (ii) in the case of a group disenrollment with an effective date of January 1 of the applicable calendar year, by no later than the deadline communicated to Sponsor by MCLIC.

H. Responsibility for Claims After Loss of Eligibility or Disenrollment. Sponsor shall be responsible for reimbursing MCLIC pursuant to the billing provisions of the Agreement for all Prescription Drug Claims processed by MCLIC, including those: (a) with respect to an Ineligible Enrollee during any period in which the EGWP Eligibility File indicated that such Ineligible Enrollee was eligible; and (b) with respect to a Voluntary Disenrollee, in the event Sponsor did not provide timely notice to MCLIC of such disenrollment as set forth herein.

I. Effect On Commercial Benefit. By requesting a Member's enrollment as an EGWP Member in the EGWP Benefit, Sponsor represents that such EGWP Member's eligibility as a Member in the Commercial Benefit (except for EGWP supplemental coverage) will immediately terminate. Upon a Member's enrollment as an EGWP Member in the EGWP Benefit, Sponsor must communicate

to MCLIC that the EGWP Member's eligibility as a Member in the Commercial Benefit has terminated through the Eligibility Files. Until Sponsor communicates to MCLIC that the Member's eligibility in the Commercial Benefit has terminated, coverage under the Commercial Benefit and the terms and conditions applicable thereto will remain in effect for that Member.

J. Effect of Termination of Commercial Benefit. Termination of services with respect to the Commercial Benefit will not automatically terminate the provision of services with respect to the EGWP Benefit.

K. Retroactive Payments / Enrollment and Disenrollment. MCLIC may receive or recoup payments from CMS based upon retroactive enrollments to the EGWP Benefit or retroactive disenrollments from the EGWP Benefit under this EGWP Addendum. To the extent MCLIC has agreed in this EGWP Addendum to pay Sponsor amounts equal to such payments, MCLIC shall pay such amounts to Sponsor within forty-five (45) days of MCLIC's receipt of payments from CMS; provided, further, that any related EGWP PMPM Fees (as defined below) associated with the retroactive enrollment or disenrollment shall be adjusted in accordance with the applicable terms of this EGWP Addendum.

5. Prescription Drug Services.

A. Prescription Drug Services. In exchange for the fees set forth in Exhibit A of the Agreement, MCLIC will administer the EGWP Benefit for EGWP Members in accordance with the terms and conditions of this EGWP Addendum. All such administrative services shall be provided by MCLIC in accordance with the Medicare Drug Rules and the terms of the EGWP Benefit.

B. Actuarial Equivalence. The EGWP Benefit must satisfy all actuarial equivalence standards set forth in the Medicare Drug Rules. If MCLIC performs a review, Sponsor hereby agrees to cooperate with MCLIC to perform the necessary actuarial equivalence calculations to determine whether the EGWP Benefit meets the foregoing actuarial equivalence standards prior to the Effective Date. If MCLIC determines that the EGWP Benefit does not meet the actuarial equivalence standards, then Sponsor shall cooperate with MCLIC to make necessary adjustments to the EGWP Benefit design to meet the actuarial equivalence standards.

C. Changes to the EGWP Benefit. Sponsor shall have the right to request changes to the terms of the EGWP Benefit from time to time by providing written notice to MCLIC. MCLIC shall implement any such requested changes, subject to the following conditions: (a) all changes to the EGWP Benefit must be consistent with and implemented in the time and manner permitted by the Medicare Drug Rules; (b) the EGWP Benefit, after implementation of such changes, must continue to meet the actuarial equivalence standards referenced above; and (c) any requested change that would increase MCLIC's costs of administering the EGWP Benefit without an equivalent increase in reimbursement to MCLIC from Sponsor shall not be implemented unless and until Sponsor and MCLIC agree in writing upon a corresponding amendment to the reimbursement terms of this EGWP Addendum.

D. EGWP Member Communications. All standard EGWP Member communications concerning the EGWP Benefit (e.g., benefit overview document, formulary booklet, etc.) shall be mutually developed by MCLIC and Sponsor pursuant to the Medicare Drug Rules, including the CMS Marketing Guidelines contained therein. Pursuant to the Medicare Drug Rules, MCLIC must ensure all such EGWP Member communications, whether created and/or distributed by either Sponsor or MCLIC, are CMS compliant, and provide such to CMS upon request. If CMS notifies MCLIC that any such EGWP Member communication is deficient, Sponsor agrees to assist MCLIC to make necessary revisions to correct such deficiency.

E. Claims Processing.

1. COB. MCLIC will coordinate benefits with state pharmaceutical assistance programs and entities providing other prescription drug coverage consistent with the Medicare Drug Rules.

2. TrOOP. MCLIC will establish and maintain a system to record EGWP Members' TrOOP balances, and shall communicate TrOOP balances to EGWP Members upon request. MCLIC will provide 24-hours a day, 7-days a week toll-free telephone, IVR and Internet support to assist Sponsor and EGWP Members with TrOOP verification.

3. EOBs. MCLIC will furnish EGWP Members, in a manner specified by CMS, a written or electronic explanation of benefits ("EOB") when prescription drug benefits are provided under qualified prescription drug coverage consistent with the requirements of the Medicare Drug Rules.

F. Formulary and Medication Management. MCLIC or its affiliates will maintain a pharmacy and therapeutics committee ("P&T Committee") in accordance with the Medicare Drug Rules, which will develop a Medicare Formulary to be selected by Sponsor for the EGWP Benefit. All Covered Drugs on the Medicare Formulary shall be Part D drugs or otherwise permitted to be covered by a PDP under the Medicare Drug Rules. Sponsor acknowledges and agrees that the Medicare Formulary may not be modified by removing Covered Drugs, adding additional utilization management restrictions, making the cost-sharing status of a drug less beneficial or otherwise modified in a manner not consistent with the Medicare Drug Rules.

G. Medication Therapy Management. For the fees identified on Exhibit A of the Agreement, MCLIC or its affiliates will implement a Medication Therapy Management program that is designed to ensure that Covered Drugs prescribed to targeted EGWP Members are appropriately used to optimize therapeutic outcomes through improved medication use; and reduce the risk of adverse events, including adverse drug interactions.

H. Late Enrollment Penalty. Sponsor agrees to and attests that it shall comply with the applicable CMS requirements of the LEP and shall comply with MCLIC's LEP policy, inducing participating with MCLIC in the following process:

1. Sponsor has an option to: (i) provide an initial global attestation to MCLIC to attest to creditable coverage for all of its EGWP Members; or (ii) periodically provide an attestation to MCLIC to attest to creditable coverage for its EGWP Members listed on the LEP report provided to Sponsor by MCLIC.

2. If Sponsor elects to periodically attest to MCLIC under the preceding subsection, then:

   a. Sponsor's response shall be delivered to MCLIC within five (5) business days from the receipt of LEP report from MCLIC;

   b. Sponsor shall provide MCLIC with the file listing all EGWP Members for whom Sponsor was unable to attest; and

   c. MCLIC shall also mail an attestation to each EGWP Member that has a gap in coverage as defined by CMS.

3. Sponsor will provide MCLIC with an attestation in MCLIC's standard form, which will be provided to Sponsor upon request, and a file listing of all the EGWP Members included in the attestation.

4. MCLIC will collect responses to the attestations from Sponsor or EGWP Members and submits EGWP Members information to CMS for processing and determination of applicable LEP.

5. CMS calculates the LEP amount and transmits the LEP amount to MCLIC on the daily TRR file, which is communicated to Sponsor. MCLIC shall invoice Sponsor for payment of the LEP. Sponsor may elect to either pay for the LEP on behalf of the EGWP Member, or seek reimbursement of the LEP amount from the EGWP Member. This election must be made prior to the beginning of each plan year and must be applied consistently by Sponsor for all EGWP Members throughout each plan year.

I. Organized Health Care Arrangement. The parties agree that with respect to the EGWP Benefit, Sponsor and MCLIC are party to an Organized Health Care Arrangement under 45 C.F.R. § 160.103.

6. Document Retention and Government Audit.

A. Document Retention. MCLIC and Sponsor will maintain, for a period of the then current plan year plus an additional ten (10) years, the applicable books, contracts, medical records, patient care documentation, and other records relating to covered services under this Amendment, including those relating to the collection of monthly premiums as set forth herein. MCLIC and its affiliates may use and disclose both during and after the term of this EGWP Addendum the anonymized claims data (de-identified in accordance with HIPAA) including drug and related medical data collected by MCLIC or provided to MCLIC by Sponsor for research; provider profiling; benchmarking, drug trend, and cost and other internal analyses and comparisons; clinical, safety and/or trend programs; ASES; or other MCLIC business purposes, in all cases subject to applicable law.

B. Government Audit. MCLIC and Sponsor agree to allow the United States Department of Health and Human Services ("DHHS") and the Comptroller General, or their designees, the right to audit, evaluate, collect, and inspect books, contracts, medical records, patient care documentation and other records relating to covered services under this EGWP Addendum, as are reasonably necessary to verify the nature and extent of the costs of the services provided to EGWP Members under this EGWP Addendum, for a period of the then current plan year, plus an additional ten (10) years following termination or expiration of the EGWP Addendum for any reason, or until completion of any audit, whichever is later.

7. Monthly Premiums; Fees; Billing and Payment.

A. Monthly Premiums.

1. Collection of Monthly Premium Amounts. In accordance with the Medicare Drug Rules, MCLIC hereby delegates the premium collection function to Sponsor and hereby directs Sponsor, on behalf of MCLIC, to collect all monthly premium payments due from EGWP Members for participation in the EGWP Benefit. In connection with MCLIC's delegation of the premium collection function to Sponsor under this Section 7.A.1, Sponsor hereby agrees as follows:

a. That in no event, including, but not limited to, nonpayment by MCLIC of any amounts due by MCLIC to Sponsor pursuant to this EGWP Addendum, MCLIC's insolvency, or MCLIC's breach of this EGWP Addendum, will Sponsor bill, charge, collect a deposit from, seek compensation, remuneration or reimbursement from, or have any recourse against an EGWP Member or persons acting on his or her behalf for payments that are the financial responsibility of MCLIC under this EGWP Addendum. The foregoing is not intended to prohibit Sponsor from collecting premium amounts due by EGWP Members for participation in the EGWP Benefit.

2. Determination of Monthly Premium Amounts (if any) to be Subsidized by Sponsor. In determining the amount of the EGWP Member's monthly premium for participation in the EGWP Benefit that Sponsor will subsidize, if any, Sponsor shall make such determination subject to the following restrictions and any other restrictions that may be imposed by CMS:

a. Sponsor may subsidize different amounts for different classes of EGWP Members provided such classes are reasonable and based on objective business criteria, such as years of service, business location, job category, and nature of compensation (e.g., salaried vs. hourly). Different classes cannot be based on eligibility for the Low Income Subsidy;

b. Sponsor may not vary the premium subsidy for individuals within a given class of EGWP Members;

c. Sponsor may not charge an EGWP Member more than the sum of his or her monthly beneficiary premium attributable to basic prescription drug coverage and 100% of the monthly beneficiary premium attributable to his or her supplemental prescription drug coverage, if any;

d. MCLIC will, as directed by Sponsor, directly refund to the EGWP Member, within forty-five (45) days of original receipt from CMS of the Low Income Subsidy premium, the full premium subsidy amount up to the monthly beneficiary premium amount previously collected from the EGWP Member; provided, however, that to the extent there are Low Income Subsidy premium amounts remaining after MCLIC refunds the full monthly beneficiary premium amount to the EGWP Member, then that remaining portion of the Low Income Subsidy premium may be applied to the portion of the monthly premium paid by Sponsor;

e. If Sponsor is not able to reduce the up-front monthly beneficiary premium as described in subsection (d) above, MCLIC, as directed by Sponsor, shall directly refund to the EGWP Member, within forty-five (45) days of original receipt from CMS of the Low Income Subsidy premium, the full premium subsidy amount up to the monthly beneficiary premium amount previously collected from the EGWP Member;

f. If the Low Income Subsidy amount for which an EGWP Member is eligible is less than the portion of the monthly beneficiary premium paid by the EGWP Member, then MCLIC will communicate to the EGWP Member the financial consequences for the beneficiary of enrolling in the EGWP Benefit as compared to enrolling in another Medicare Part D plan with a monthly beneficiary premium equal to or below the Low Income Subsidy amount; and

g. In the event of a change in an EGWP Member's Low Income Subsidy status or an EGWP Member otherwise becomes ineligible to receive the Low Income Subsidy after payment of the Low Income Subsidy premium amount to the EGWP Member, and upon MCLIC's receipt of notification from CMS that such Low Income Subsidy premium amount will be recovered from MCLIC or withheld from future payments to MCLIC, then MCLIC in its sole discretion will invoice Sponsor or set off from amounts otherwise owed from MCLIC to Sponsor, and in either case Sponsor shall reimburse MCLIC for, all amounts deemed by CMS to be ineligible Low Income Subsidy premium payments with respect to the EGWP Member.

3. Reporting and Auditing of Premium Amounts; Non-Payment by EGWP Members. Upon reasonable advance written notice, MCLIC or its affiliates shall have access to Sponsor's records, including evidence of Sponsor's calculations of monthly premium amounts, in order to audit the monthly premium amounts collected from EGWP Members for the purposes of fulfilling reporting requirements under the Medicare Drug Rules or applicable state insurance laws related to collection of such premium amounts or to otherwise assess compliance with the Medicare Drug Rules in connection with the collection of such premium amounts. Any audits performed by MCLIC or its affiliates pursuant to this Section 7.A.3 will be at MCLIC's expense. Sponsor acknowledges and agrees that neither MCLIC nor its affiliates shall be responsible to Sponsor for non-payment by any EGWP Member of any monthly premium amount due by such EGWP Member for participation in the EGWP Benefit. Sponsor further acknowledges and agrees that in the event that either Sponsor or MCLIC (through any audit) determines that Sponsor has collected a greater premium amount from an EGWP Member than is due, that Sponsor shall promptly refund any such overpayment to the EGWP Member.

B. Billing. MCLIC or its affiliates will bill Sponsor for, and Sponsor shall pay MCLIC or its affiliates, (i) every two weeks for the EGWP Claims Reimbursement Amount (as defined below) for such billing period; and (ii) once per month for any EGWP Administrative Services Fees (as defined below) incurred by Sponsor during the previous month (or earlier if not yet invoiced to Sponsor) and EGWP PMPM Fees (as defined below) due for such period. The EGWP Claims Reimbursement Amount, EGWP PMPM Fees, and EGWP Administrative Services Fees shall be referred to collectively as "EGWP Fees". For purposes of this Section 7.B:

1. "EGWP Claims Reimbursement Amount" means, with respect to any period, the amount equal to the aggregate amount of reimbursement due from Sponsor to MCLIC for Covered Drugs dispensed to EGWP Members by the Pharmacies, and, if applicable, for Member Submitted Claims during such period, including dispensing fees and all associated claims processing administrative fees, based on the reimbursement rates and pricing terms set forth on Exhibit A of the Agreement;

2. "EGWP PMPM Fees" means, with respect to any period, all per EGWP Member per month administrative fees as set forth on Exhibit A-2 of the Agreement for such period.

3. "EGWP Administrative Services Fees" means the fees incurred by Sponsor, if any, for MCLIC's or its affiliates' performance of the administrative services listed in the EGWP Administrative Fees table set forth on Exhibit A of the Agreement.

C. CMS Reimbursement.

1. CMS Reimbursement Payment Terms.

(a) CMS Reimbursement Payment Terms (Direct Subsidy/Low-Income Subsidy). MCLIC will pay Sponsor an amount equal to the total amount paid to MCLIC by CMS for the following: (1) advance direct subsidy monthly payments paid to MCLIC, if any, by CMS with respect to EGWP Members and (2) low-income subsidy payments paid to MCLIC by CMS, if any, with respect to EGWP Members and subject to the provisions of Section 5.1(b) of this Agreement (collectively, "CMS Subsidy Reimbursement"). MCLIC will pay amounts equal to the CMS Subsidy Reimbursement, allocated pursuant to the terms of this Agreement, on a monthly basis approximately thirty (30) days after MCLIC's receipt of the CMS Subsidy Reimbursement from CMS. MCLIC and its affiliates retain all right, title and interest to any and all actual CMS Subsidy Reimbursement received from CMS, except that MCLIC shall pay Sponsor amounts equal to the CMS Subsidy Reimbursement amounts allocated to Sponsor, as specified in this Agreement, from MCLIC's or its affiliates' general assets (neither Sponsor nor its EGWP Member's retain any beneficial or proprietary interest in MCLIC's or its affiliates' general assets). Sponsor acknowledges and agrees that neither it nor its EGWP Members shall have a right to interest on, or the time value of, any CMS Subsidy Reimbursement payments received by MCLIC or its affiliates during the collection period or moneys payable under this Section. No CMS Subsidy Reimbursements shall be paid until this Agreement is executed by Sponsor. MCLIC shall have the right to retain or apply Sponsor's allocated CMS Subsidy Reimbursement amounts or Rebates with respect to EGWP Member utilization to unpaid Fees and shall have the right to delay payment of CMS Subsidy Reimbursement amounts to allow for final adjustments upon termination of this Agreement.

(b) CMS Reimbursement Payment Terms (Prospective Reinsurance). MCLIC will pay Sponsor prospective reinsurance payments based on the lesser of the CMS defined per member per month prospective reinsurance for the effective plan year or the Sponsor's per member per month reinsurance for the most recent plan year closed by CMS for reconciliation purposes. For Sponsor's first year as an EGWP administered by MCLIC, MCLIC will pay Sponsor prospective reinsurance payments based on the lesser of the CMS defined per member per month prospective reinsurance for the effective plan year or the Sponsor's projected per member per month reinsurance for the effective plan year based on claims experience of Sponsor's EGWP Members. MCLIC will pay amounts on

a monthly basis approximately thirty (30) days after MCLIC's receipt of the prospective reinsurance reimbursement from CMS ("Prospective Reinsurance CMS Reimbursement"). MCLIC and its affiliates retain all right, title, and interest to any and all actual Prospective Reinsurance CMS Reimbursement amounts allocated to Sponsor, except that MCLIC shall pay Sponsor Prospective Reinsurance CMS Reimbursement amounts allocated to Sponsor, as specified in this Agreement, from MCLIC's or its affiliates' general assets (neither Sponsor nor its EGWP Members retain any beneficial or proprietary interest in MCLIC's or its affiliates' general assets). Sponsor acknowledges and agrees that neither it nor its EGWP Members shall have a right to interest on, or the time value of, any Prospective Reinsurance CMS Reimbursement payments received by MCLIC or its affiliates during the collection period or moneys payable under this Section. No Prospective Reinsurance CMS Reimbursements shall be paid until this Agreement is executed by Sponsor. MCLIC shall have the right to retain or apply Sponsor's allocated Prospective Reinsurance CMS Reimbursement amounts or Rebates with respect to EGWP Member utilization to unpaid Fees and shall have the right to delay payment of Prospective Reinsurance CMS Reimbursement amounts to allow for final adjustments upon termination of this Agreement.

2. CMS Reimbursement Reporting. At least annually, MCLIC will provide Sponsor an accounting of all CMS Subsidy Reimbursement and Prospective Reinsurance CMS Reimbursement received by MCLIC from CMS pursuant to the Medicare Drug Rules with respect to the EGWP Benefit.

D. CMS-Required Reconciliation / Reinsurance.

1. End-of-Year Reconciliation. The parties acknowledge that after the conclusion of each plan year, CMS will reconcile payment year disbursements with updated enrollment and health status data, actual low-income cost-sharing costs, actual allowable reinsurance costs, and other pertinent information. Upon final CMS end-of-year reconciliation, the following shall occur: (i) in the event that the actual incurred reinsurance amount calculated during reconciliation exceeds the prospective amounts paid to Sponsor by MCLIC, MCLIC will pay such amounts to Sponsor subject to the remaining terms of this agreement, and (ii) in the event that the actual incurred reinsurance amount calculated during reconciliation is less than the prospective amounts paid to Sponsor by MCLIC, Sponsor shall repay to MCLIC such amounts previously paid by MCLIC in accordance with the payment terms of the Agreement. MCLIC shall have the right to retain or apply Sponsor's allocated CMS End of Year Reconciliation amounts with respect to EGWP Member utilization to unpaid Fees and shall have the right to delay payment of CMS End of Year Reconciliation amounts to allow for final adjustments upon termination of this Agreement. MCLIC shall have the right to apply reconciliation amounts owed from Sponsor to rebates, CMS Subsidy Reimbursements, Prospective Reinsurance CMS Reimbursements, or Manufacturer Coverage Gap Discount amounts. All such payments resulting from a CMS reconciliation will be paid to Sponsor no later than January 31 of the calendar year immediately following the date of MCLIC's receipt of the reconciliation payments from CMS. If CMS subsequently recovers any end of year reconciliation payments from MCLIC due to a CMS Plan Year reopening or other process described in the Medicare Drug Rules, then Sponsor shall be obligated to repay to MCLIC such amounts previously paid to Sponsor. If CMS subsequently reimburses MCLIC for end of year reconciliations payments due to a CMS Plan Year reopening or other process described in the Medicare Drug rules, then MCLIC will pay such amounts to Sponsor. MCLIC shall have the right to apply reconciliation amounts owed from Sponsor due to a CMS Plan Year reopening to rebates, CMS Subsidy Reimbursements, Prospective Reinsurance CMS Reimbursements, or Manufacturer Coverage Gap Discount amounts.

2. Plan-to-Plan Reconciliation. MCLIC will perform plan-to-plan coordination of EGWP Members' prescription drug benefits with other provider of prescription drug coverage as set forth in the Medicare Drug Rules and any related reconciliation; provided, that

no later than January 31 of the calendar year immediately following completion of such coordination or reconciliation process, MCLIC shall pay to Sponsor an amount equal to payments recovered for the EGWP Benefit, but at the same time MCLIC shall have a right to recoup from Sponsor any amount which MCLIC is obligated to pay to any other prescription drug plan pursuant to a plan-to-plan reconciliation.

E. Manufacturer Coverage Gap Discount.

1. Pursuant to its CMS contract, MCLIC has agreed to administer for EGWP Members at point-of-sale the Coverage Gap Discount authorized by section 1860D-14A of the Social Security Act. In connection with the Coverage Gap Discount, CMS will coordinate the collection of discount payments from manufacturers, and payment to MCLIC, through a CMS contractor (the "Coverage Gap Discount Payments"). Subject to Section 5.4(a) above, MCLIC agrees to periodically remit to Sponsor amounts equal to 100% of the Coverage Gap Discount Payments received by MCLIC within forty-five (45) days of the CMS Manufacturer Payment Date. MCLIC and its affiliates retain all right, title and interest to any and all actual Coverage Gap Discount Payments received from CMS, except that MCLIC shall pay Sponsor amounts equal to the Coverage Gap Discount Payments amounts allocated to Sponsor, as specified in this Agreement, from MCLIC's or its affiliates' general assets (neither Sponsor nor its EGWP Members retain any beneficial or proprietary interest in MCLIC's or its affiliates' general assets). Sponsor acknowledges and agrees that neither it nor its EGWP Members shall have a right to interest on, or the time value of, any Coverage Gap Discount Payments received by MCLIC or its affiliates during the collection period or moneys payable under this Section. No Coverage Gap Discount Payments shall be paid until this Agreement is executed by Sponsor. MCLIC shall have the right to apply Sponsor's allocated Coverage Gap Discount Payments amount to unpaid Fees and shall have the right to delay payment of Coverage Gap Discount Payments to allow for final adjustments upon termination of this Agreement. Notwithstanding anything contained in this Section 7, Sponsor shall retain all right, title, and interest to the amounts that MCLIC is contractually obligated to pay Sponsor hereunder, and failure by MCLIC to pay such amounts will constitute a breach of this Agreement.

2. If the EGWP Benefit administered by MCLIC under this EGWP Addendum for Sponsor includes EGWP Plus design elements, then the Coverage Gap Discount will be coordinated with the Commercial Benefit consistent with the Medicare Drug Rules.

8. Term and Termination; Default and Remedies.

A. Termination of MCLIC's Contract with CMS. If at any time throughout the term of this EGWP Addendum, CMS either does not renew its contract with MCLIC or terminates its contract with MCLIC such that MCLIC may no longer provide services as a PDP Sponsor under the Medicare Drug Rules, then this EGWP Addendum shall be automatically terminated conterminously with such CMS contract termination.

B. Obligations Upon Termination. Sponsor or its agent shall pay MCLIC, or its affiliate, in accordance with this Agreement for all claims for Covered Drugs dispensed and services provided to Sponsor and EGWP Members on or before the later of: (i) the effective date of termination, or (ii) the final date that all EGWP Members have been transitioned to a new Part D plan, as applicable (the "Termination Date"). Claims submitted by Participating Pharmacies or EGWP Member Submitted Claims filed with MCLIC after the Termination Date shall be processed and adjudicated in accordance with a mutually determined run-off plan, provided that, in any event, and subject to all applicable payment terms of the Agreement: (i) MCLIC shall re-process or re-adjudicate claims originally processed and adjudicated on or before the Termination date, as necessary, for a period of five (5) years from the end of the plan year in which the applicable claim was processed and adjudicated; (ii) MCLIC shall process and adjudicate EGWP Member Submitted Claims for Covered Drugs dispensed and services provided on or before the Termination Date for a period of three (3) years from the termination of this Agreement; and (iii) MCLIC shall process and adjudicate claims submitted by Participating Pharmacies for Covered Drugs dispensed and

services provided on or before the Termination Date for a period of ninety (90) days from the termination of this Agreement. The parties shall cooperate regarding the transition of Sponsor and its EGWP Members to a successor PDP Sponsor in accordance with all applicable Medicare Drug Rules and MCLIC will take all reasonable steps to mitigate any disruption in service to EGWP Members. Notwithstanding the preceding, MCLIC may (a) delay payment of any final CMS reimbursement amounts, Rebate amounts or other amounts due Sponsor, if any, to allow for final reconciliation of any outstanding amount owed by Sponsor to MCLIC, or (b) request that Sponsor pay a reasonable deposit in the event MCLIC is requested to process after the Termination Date claims incurred on or prior to such date. If CMS subsequently recovers any end of year reconciliation payments from MCLIC due to a CMS Plan Year reopening or other process described in the Medicare Drug Rules after the effective date of termination, then Sponsor shall be obligated to repay to MCLIC such amounts previously paid to Sponsor. If CMS subsequently reimburses MCLIC for end of year reconciliations payments due to a CMS Plan Year reopening or other process described in the Medicare Drug rules after the effective date of termination, then MCLIC will pay such amounts to Sponsor.

IN WITNESS WHEREOF, the undersigned have executed this EGWP Addendum as of the day and year below set forth.

MEDCO CONTAINMENT LIFE INSURANCE COMPANY	CITY OF BRIDGEPORT
By:_____	By: _____
Printed Name: _____	Printed Name:_____
Title:_____	Title:_____
Date:_____	Date:_____
	Federal ID Number:_____

Item# *81-16 Consent Calendar

Certificate of Insurance Agreement with The Hartford Life and Accident Insurance Company for Short Term and Long Term Disability Benefits for the period of August 1, 2017 – July 31, 2019.

Report of Committee on Contracts

City Council Meeting Date: June 19, 2017

Attest: Lydia N. Martinez
Lydia N. Martinez, City Clerk

Approved by: _____
Joseph P. Ganim, Mayor

Date Signed: 7/10/17

RECEIVED
CITY CLERK'S OFFICE
2017 JUL 10 P 3:20
ATTEST _____
CITY CLERK

City of Bridgeport, Connecticut
Office of the City Clerk

To the City Council of the City of Bridgeport.

The Committee on **Contracts** begs leave to report; and recommends for adoption the following resolution:

Item No. *81-16 Consent Calendar

RESOLVED, That the attached Certificate of Insurance Agreement between the City of Bridgeport and The Hartford Life and Accident Insurance Company for Short Term and Long Term Disability Benefits for the period of August 1, 2017 through July 31, 2019, be and it hereby is, in all respects, approved, ratified and confirmed.

RESPECTFULLY SUBMITTED,
THE COMMITTEE ON
CONTRACTS

Jack O. Banta, D-131st, ***Co-Chair***

Jeanette Herron, D-133rd, ***Co-Chair***

Milta I. Feliciano, D-137th

absent
AmyMarie Vizzo-Paniccia, D-134th

absent
James Holloway, D-139th

Alfredo Castillo, D-136th

Anthony R. Paoletto, D-138th

City Council Date: *June 19, 2017*

The Hartford Group Benefits

2011 SAMPLE CONTRACT

DISABILITY INSURANCE

THE HARTFORD

Employee Benefits

Group Benefits Short Term Disability
Standard Version

5327 NS 08/14 © 2014 The Hartford Financial Services Group, Inc. All rights reserved.

Prepare. Protect. Prevail. With The Hartford.[SM]

Short Term Disability

Class Description(s):
All Full-time Active Employees who are Non Union Civil Service Employees and Teamster Local191
Full Time Eligibility: 30 hours per week

Feature	Description
Plan Type	Fully Insured
Benefit Schedule	60% of Weekly Earnings
Maximum Benefit Amount	$1,000 Weekly
Minimum Weekly Benefit	Flat $25
Day Injury Benefit Commences	8th day
Day Sickness Benefit Commences	8th day
Benefit Duration	12 Weeks
First Day Hospital	Not Included
Definition Of Disability	Includes Disabled and Working Disability Benefit
Disabled And Working Benefit Formula	Standard
Benefit Commencement Option	Included (Can satisfy Benefit Commence Period with days of Total or Disabled and Working)
Coverage Basis	Non-Occupational
Coverage Continuation During Family Medical Leave	Included
Employer Participates In Worker's Compensation	Yes
Offset Salary Continuation/Sick Leave	Dollar for Dollar
Employee Contribution	Non-Contributory
Initial Rate Guarantee Period	2 Years
Participation Requirement	100% of Eligible Employees
FICA Match Service	Not Included

Rate Summary

Coverage Category/Class	No of Lives	Rate Basis	Volume	Monthly Premium
STD	78	$0.385 Per $10 Of Weekly Benefit	63,492.57	$2,444.46

Copyright © 2017 by The Hartford. Classification: Company Confidential. All rights reserved.
No part of this document may be used, reproduced, published or posted without the permission of The Hartford.

Group Disability Income Insurance

HARTFORD LIFE AND ACCIDENT INSURANCE COMPANY

One Hartford Plaza
Hartford, Connecticut 06155
(A stock insurance company)

CERTIFICATE OF INSURANCE

If The Policy is written through a trust, the trustees of the trust would be the policyholder and the Participating Employer Name and Account Number would be added ▶

Policyholder: ABC COMPANY
Policy Number: GRH-999999
Policy Effective Date: April 1, 2016
Policy Anniversary Date: April 1, 2017

We have issued The Policy to the Policyholder. Our name, the Policyholder's name, and the Policy Number are shown above. The provisions of The Policy, which are important to You, are summarized in this certificate consisting of this form and any additional forms which have been made a part of this certificate. This certificate replaces any other certificate We may have given to You earlier under The Policy. The Policy alone is the only contract under which payment will be made. Any difference between The Policy and this certificate will be settled according to the provisions of The Policy on file with Us at Our home office. The Policy may be inspected at the office of the Policyholder.

Signed for the Company

Lisa Levin, *Secretary*

Michael Concannon, *President*

Defined terms are capitalized throughout the Certificate ▶

A note on capitalization in this certificate:
Capitalization of a term, not normally capitalized according to the rules of standard punctuation, indicates a word or phrase that is a defined term in The Policy or refers to a specific provision contained herein.

Note: This sample contract is not intended for public dissemination and was drafted for informational purposes only. This document does not constitute a legal document. Language shown includes standard provisions of The Hartford's filed and approved insurance contract, not all available coverage options. The provisions included herein are not recommendations specific to any customer and are not intended to serve as advice for the coverage you may select.

This sample represents our standard contract and includes some common options. State exceptions may apply.

TABLE OF CONTENTS

Note: This sample contract is not intended for public dissemination and was drafted for informational purposes only. This document does not constitute a legal document. Language shown includes standard provisions of The Hartford's filed and approved insurance contract, not all available coverage options. The provisions included herein are not recommendations specific to any customer and are not intended to serve as advice for the coverage you may select.

SCHEDULE OF INSURANCE

The Schedule of Insurance specifications will be tailored to the Employer's requirements.

The Policy of short term Disability insurance provides You with short term income protection if You become Disabled from a covered Injury, Sickness, or pregnancy.

Contributory or non-contributory coverage is available.

Cost of Coverage:
You must / do not contribute toward the cost of coverage.

Included when there is contributory coverage.

Disclosure of Fees:
We may reduce or adjust premiums, rates, fees and/or other expenses for programs under The Policy.

Included when there is contributory coverage.

Disclosure of Services:
In addition to the insurance coverage, We may offer noninsurance benefits and services to Active Employees.

A person's class determines the benefits for which he or she is eligible.

Eligible Class(es) For Coverage:
All Full-time Active Employees who are citizens or legal residents of the United States, its territories and protectorates, excluding temporary, leased or seasonal employees.

Full-time Employment: at least 30 hours weekly

Included if the Employer offers an Annual Enrollment Period.

Annual Enrollment Period: as determined by Your Employer on a yearly basis

A variety of options are available.

Eligibility Waiting Period for Coverage:

1) None - if You are working for the Employer on the Policy Effective Date; or
2) 60 day(s) - if You start working for the Employer after the Policy Effective Date.

The time period(s) referenced above are continuous.

Previous service with the Employer may be used to reduce the waiting period for coverage.

The time period(s) referenced above are continuous. Eligibility Waiting Period for Coverage will be reduced by the period of time You were a Full-time Active Employee with the Employer under the Prior Policy.

A typical plan design is 8th day Injury/8th day Sickness, but many options are available.

Benefits Commence:

1) for Disability caused by Injury: on the 8th day of Total Disability or Disabled and Working;
2) for Disability caused by Sickness: on the 8th day of Total Disability or Disabled and Working.

Optional First Day Hospital Benefit. A Benefit that includes first day outpatient surgery is also available to keep pace with today's changing medical environment.

For hospital confinements of 24 hours or more, or for an Outpatient Surgical Procedure which necessitates a Total Disability period or a Disabled and Working Disability period of 24 hours or more after surgery, benefits commence:

1) on the first day of hospital confinement; or
2) on the date of the Outpatient Surgical Procedure.

Benefits are available on a percent of earnings or as a flat dollar amount.

Core/Buy-up options are also available.

Weekly Benefit:
The lesser of:

1) 60% of Your Pre-disability Earnings; or
2) $500,

reduced by Other Income Benefits.

Note: This sample contract is not intended for public dissemination and was drafted for informational purposes only. This document does not constitute a legal document. Language shown includes standard provisions of The Hartford's filed and approved insurance contract; not all available coverage options. The provisions included herein are not recommendations specific to any customer and are not intended to serve as advice for the coverage you may select.

The optional Minimum Weekly Benefit is recommended for contributory plans.

Minimum Weekly Benefit:
$25

Plans that include a Pre-existing Limitation may pay a benefit for a limited period of time while the pre-existing investigation is pending.

Maximum Duration of Benefits Payable:

1) if Your Disability is the result of a Pre-existing Condition: 4 week(s) if caused by Injury or Sickness; otherwise

Other duration options are available.

2) 26 week(s) if caused by Injury; or
3) 26 week(s) if caused by Sickness.

Additional benefits which are described in more detail later on in the booklet.

Additional Benefits:

Disabled and Working Benefit
see benefit

Rehabilitative Employment Benefit
see benefit

ELIGIBILITY AND ENROLLMENT

Eligible Persons: *Who is eligible for coverage?*
All persons in the class or classes shown in the Schedule of Insurance will be considered Eligible Persons.

Eligibility for Coverage: *When will I become eligible?*
You will become eligible for coverage on the later of:

1) the Policy Effective Date; or
2) the date on which You complete the Eligibility Waiting Period for Coverage shown in the Schedule of Insurance, if applicable.

Enrollment for non-contributory coverage.

Enrollment: *How do I enroll for coverage?*
All eligible Active Employees will be enrolled automatically by the Employer.

Enrollment for contributory coverage. *Also includes the following sections:*

Evidence of Insurability
Change in Family Status
Changes In Coverage

Enrollment: *How do I enroll for coverage?*
To enroll for coverage you must:

1) complete and sign a group insurance enrollment form which is satisfactory to Us; and
2) deliver it to Your Employer.

You have the option to enroll by voice recording or electronically. Your Employer will provide instructions.

If You do not enroll within 31 days after becoming eligible under The Policy, or if You were eligible to enroll under the Prior Policy and did not do so, and later choose to enroll or if You enroll for a Weekly Benefit Amount greater than the Guaranteed Issue Amount:

1) You must give Us Evidence of Insurability satisfactory to Us; and
2) You may only enroll:
   a) during an Annual Enrollment Period designated by the Policyholder; or
   b) within 31 days of the date You have a Change in Family Status.

The dates of the Annual Enrollment Period are shown in the Schedule of Insurance.

Note: This sample contract is not intended for public dissemination and was drafted for informational purposes only. This document does not constitute a legal document. Language shown includes standard provisions of The Hartford's filed and approved insurance contract; not all available coverage options. The provisions included herein are not recommendations specific to any customer and are not intended to serve as advice for the coverage you may select.

Applies to late entrants. ►

Evidence of Insurability: *What is Evidence of Insurability and what happens if Evidence of Insurability is not satisfactory to Us?*
Evidence of Insurability must be satisfactory to Us and may include, but will not be limited to:

1) a completed and signed application approved by Us;
2) a medical examination, if requested;
3) attending Physicians' statements; and
4) any additional information We may require.

All Evidence of Insurability will be furnished at Our expense. We will then determine if You are insurable under The Policy.

If Your Evidence of Insurability is not satisfactory to Us:

1) Your Monthly Benefit will equal the amount for which You were eligible without providing Evidence of Insurability, provided You enrolled within 31 days of the date You were first eligible to enroll; and
2) You will not be covered under The Policy if You enrolled more than 31 days after the date You were first eligible to enroll.

The Employer selects which of these Family Status changes to include in The Policy. Domestic Partner language may be included when requested.

States may vary terms and availability of Domestic Partner coverage. ►

Change in Family Status: *What constitutes a Change in Family Status?*
A Change in Family Status occurs when:

1) You get married or You execute a domestic partner affidavit;
2) You and Your spouse divorce or You terminate a domestic partnership;
3) Your child is born or You adopt or become the legal guardian of a child;
4) Your spouse or domestic partner dies;
5) Your child is no longer financially dependent on You or dies;
6) Your spouse or domestic partner is no longer employed, which results in a loss of group insurance; or
7) You have a change in classification from part-time to full-time or from full-time to part-time.

PERIOD OF COVERAGE

Applies to non-contributory plans. ►

Effective Date: *When does my coverage start?*
Your coverage will start:

1) for benefit amounts not requiring Evidence of Insurability, on the date You become eligible; or
2) for benefit amounts requiring Evidence of Insurability, on the date We approve such evidence.

Applies to contributory plans ►

Effective Date: *When does my coverage start?*
Your coverage will start on the earliest of:

1) the date You become eligible, for benefit amounts not requiring Evidence of Insurability, if You enroll or have enrolled by then;
2) the date on which You enroll, for benefit amounts not requiring Evidence of Insurability, if You do so within 31 days after the date You are eligible;
3) the date We approve Your Evidence of Insurability, for benefit amounts requiring Evidence of Insurability; or

Use #4 with contributory and cafeteria plans ►

4) the first day of the month following the Annual Enrollment Period if You enroll, for benefit amounts not requiring Evidence of Insurability, during an Annual Enrollment Period.

Deferred Effective Date: *When will my effective date for coverage or a change in my coverage be deferred?*
If You are absent from work due to:

1) accidental bodily injury;
2) Sickness;

Note: This sample contract is not intended for public dissemination and was drafted for informational purposes only. This document does not constitute a legal document. Language shown includes standard provisions of The Hartford's filed and approved insurance contract; not all available coverage options. The provisions included herein are not recommendations specific to any customer and are not intended to serve as advice for the coverage you may select.

3) Mental Illness;
4) Substance Abuse; or
5) pregnancy;

on the date Your insurance, or increase in coverage, would otherwise have become effective, Your insurance, or increase in coverage will not become effective until You are Actively at Work one full day.

For contributory coverage with Annual Enrollment and Change in Family Status.

Changes in Coverage: *Can I change my benefit options?*
You may change Your benefit option only:
1) during an Annual Enrollment Period; or
2) within 31 days of a Change in Family Status.

At such time You may decrease coverage, or increase coverage to a higher option. An increase in coverage will be subject to Your submission of an application that meets Our approval.

When will a requested change in benefit option take effect?
If You enroll for a change in benefit option during an Annual Enrollment Period, the change will take effect on the later of:
1) the first day of the month following the Annual Enrollment Period; or
2) the date We approve Your Evidence of Insurability if You are required to submit Evidence of Insurability.

If You enroll for a change in benefit option within 31 days following a Change in Family Status, the change will take effect on the later of:
1) the date You enroll for the change; or
2) the date We approve Your Evidence of Insurability if You are required to submit Evidence of Insurability.

Any such increase in coverage is subject to the following provisions:
1) Deferred Effective Date; and
2) Pre-existing Conditions Limitations.

Employees will not ordinarily lose coverage due to change in carriers.

Continuity From A Prior Policy: *Is there continuity of coverage from a Prior Policy?*
If You were:
1) insured under the Prior Policy; and
2) not eligible to receive benefits under the Prior Policy;

on the day before the Policy Effective Date, the Deferred Effective Date provision will not apply.

Additional no loss, no gain language is included if the plan has a Pre-existing Condition Limitation.

Is my coverage under The Policy subject to the Pre-existing Condition Limitation?
If You become insured under The Policy on the Policy Effective Date and were covered under the Prior Policy on the day before the Policy Effective Date, the Pre-existing Conditions Limitation will end on the earliest of:
1) the Policy Effective Date, if Your coverage for the Disability was not limited by a pre-existing condition restriction under the Prior Policy; or
2) the date the restriction would have ceased to apply had the Prior Policy remained in force, if Your coverage was limited by a pre-existing condition limitation under the Prior Policy.

The amount of the Weekly Benefit payable for a Pre-existing Condition in accordance with the above paragraph will be the lesser of:
1) the Weekly Benefit which was paid by the Prior Policy; or
2) the Weekly Benefit provided by The Policy.

The Pre-existing Conditions Limitation will apply after the Policy Effective Date to the

Note: This sample contract is not intended for public dissemination and was drafted for informational purposes only. This document does not constitute a legal document. Language shown includes standard provisions of The Hartford's filed and approved insurance contract, not all available coverage options. The provisions included herein are not recommendations specific to any customer and are not intended to serve as advice for the coverage you may select.

amount of a benefit increase which results from a change from the Prior Policy to The Policy, a change in benefit options, a change of class or a change in The Policy.

Coverage will terminate unless it is continued in accordance with a Continuation Provision.

Termination: *When will my coverage end?*
Your coverage will end on the earliest of the following:
1) the date The Policy terminates;
2) the date The Policy no longer insures Your class;
3) the date premium payment is due but not paid;
4) the last day of the period for which You make any required premium contribution;
5) the date Your Employer terminates Your employment, or
6) the date You cease to be a Full-time Active Employee in an eligible class for any reason;

unless continued in accordance with any of the Continuation Provisions.

Continuation Provisions allow an Employer to extend coverage beyond the date when it would have terminated.

Continuation Provisions: *Can my coverage be continued beyond the date it would otherwise terminate?*
Coverage can be continued by Your Employer beyond a date shown in the Termination provision, if Your Employer provides a plan of continuation which applies to all employees the same way. Continued coverage:
1) is subject to any reductions in The Policy;
2) is subject to payment of premium by the Employer; and
3) terminates if:
   a) The Policy terminates; or
   b) coverage for Your class terminates.

Coverage under the Continuation Provisions requires payment of premium. If premium payment ceases or the Policy terminates, coverage ends.

In any event, Your benefit level, or the amount of earnings upon which Your benefits may be based, will be that in effect on the day before Your coverage was continued. Coverage may be continued in accordance with the above restrictions and as described below:

Continuation of coverage for FML.

Additional continuation options are available to accommodate lay-off, leave of absence or other non-FML leaves.

Family and Medical Leave: If You are granted a leave of absence, in writing, according to the Family and Medical Leave Act of 1993, or other applicable state or local law, Your coverage may be continued for up to 12 weeks, or 26 weeks if You qualify for Family Military Leave, or longer if required by other applicable law, following the date Your leave commenced. If the leave terminates prior to the agreed upon date, this continuation will cease immediately.

Coverage will continue during the period of time that an insured is receiving short term Disability benefits if premium continues to be paid.

Coverage while Disabled: *Does my insurance continue while I am Disabled and no longer an Active Employee?*
If You are Disabled and You cease to be an Active Employee, Your insurance will be continued:
1) while You remain Disabled; and
2) until the end of the period for which You are entitled to receive short term Disability Benefits;

provided premiums for Your coverage continued to be paid.

After short term Disability Benefit payments have ceased, Your insurance will be reinstated, provided:
1) You return to work for one full day as a Full-time Active Employee in an eligible class;
2) The Policy remains in force; and
3) the premiums for You were paid during Your Disability, and continue to be paid.

Note: This sample contract is not intended for public dissemination and was drafted for informational purposes only. This document does not constitute a legal document. Language shown includes standard provisions of The Hartford's filed and approved insurance contract, not all available coverage options. The provisions included herein are not recommendations specific to any customer and are not intended to serve as advice for the coverage you may select.

Extension of Benefits for Disability: *Do my benefits continue if The Policy terminates?*
If You are entitled to benefits while Disabled and The Policy terminates, benefits:
1) will continue as long as You remain Disabled by the same Disability; but
2) will not be provided beyond the date We would have ceased to pay benefits had the insurance remained in force.

Termination of The Policy for any reason will have no effect on Our liability under this provision.

BENEFITS

The Hartford standard is a residual plan. This aligns with our Ability Philosophy by encouraging employees to continue working as long as they are able. An employee does not need to be Totally Disabled to satisfy the Benefits Commence Period.

Disability Benefit: *What are my Disability Benefits under The Policy?*
If, while covered under this Benefit, You:
1) become Disabled;
2) remain Disabled; and
3) submit Proof of Loss to Us;

We will pay the Weekly Benefit.

The amount of any Weekly Benefit payable will be reduced by:
1) the total amount of all Other Income Benefits, including any amount for which You could collect but did not apply; and
2) any income received from the Employer for the period You are Disabled.

Minimum Weekly Benefit: *Is there a Minimum Weekly Benefit?*
Your Weekly Benefit will not be less than the Minimum Weekly Benefit shown in the Schedule of Insurance.

Partial Week Payment: *How is a benefit calculated for a period of less than a week?*
If a Weekly Benefit is payable for less than a week, We will pay 1/5 of the Weekly Benefit for each day You were Disabled.

The standard STD recurrent period is 5 days for every 30 days of the LTD Elimination Period or 15 days if not sold with LTD coverage.

An option to allow the STD recurrent period to equal up to ½ of the LTD Elimination Period is also available. This allows the STD recurrent to integrate with the recurrent period during the LTD Elimination Period.

Recurrent Disability: *What happens to my benefits if I return to work as an Active Employee and then become Disabled again?*
When Your return to work as an Active Employee is followed by a Disability, and such Disability is:
1) due to the same cause; or
2) due to a related cause; and
3) within 15 consecutive calendar days of the return to work;

the Period of Disability prior to Your return to work and the recurrent Disability will be considered one Period of Disability, provided The Policy remains in force.

If You return to work as an Active Employee for 15 consecutive calendar days or more, any recurrence of a Disability will be treated as a new Disability.

Period of Disability means a continuous length of time during which You are Disabled under The Policy.

Multiple Causes: *How long will benefits be paid if a period of Disability is extended by another cause?*
If a period of Disability is extended by a new cause while Weekly Benefits are payable, Weekly Benefits will continue while You remain Disabled, subject to the following:
1) Weekly Benefits will not continue beyond the end of the original Maximum Duration of Benefits; and
2) any Exclusions and Pre-existing Conditions Limitations will apply to the new cause of Disability.

Note: This sample contract is not intended for public dissemination and was drafted for informational purposes only. This document does not constitute a legal document. Language shown includes standard provisions of The Hartford's filed and approved insurance contract, not all available coverage options. The provisions included herein are not recommendations specific to any customer and are not intended to serve as advice for the coverage you may select.

Termination of Payment: *When will my benefit payments end?*
Benefit payments will stop on the earliest of:

1) the date You are no longer Disabled;
2) the date You fail to furnish Proof of Loss;
3) the date You are no longer under the Regular Care of a Physician;
4) the date You refuse Our request that You submit to an examination by a Physician or other qualified medical professional;
5) the date of Your death;
6) the date You refuse to receive recommended treatment that is generally acknowledged by Physicians to cure, correct or limit the disabling condition;
7) the last day benefits are payable according to the Maximum Duration of Benefits;
8) the date Your Current Weekly Earnings are equal to or greater than 80% of Your Pre-disability Earnings if You are receiving benefits for being Disabled from Your Occupation; or
9) the date no further benefits are payable under any provision in The Policy that limits benefit duration.

This is a proportionate loss formula. If a disabled employee is working in an approved rehab program, the Rehabilitative Employment Formula, which only offsets for 50% of current work earnings, will be used to calculate the benefit.

Disabled and Working Benefits: *How are benefits paid when I am Disabled and Working?*
If, while covered under this benefit, You are Disabled and Working, as defined, We will use the following calculation to determine Your Weekly Benefit:

$$\text{Weekly Benefit} = \frac{(A - B) \times C}{A}$$

Where
A = Your Weekly Pre-disability Earnings.
B = Your Current Weekly Earnings.
C = The Weekly Benefit payable if You were Totally Disabled.

If You are participating in a program of Rehabilitative Employment approved by Us, We will determine Your Weekly Benefit by the Rehabilitative Employment Benefit.

Days which You are Disabled and Working may be used to satisfy the Benefits Commence Period.

Partial Week Payment: *How is a benefit calculated for a period of less than a week?*
If a Weekly Benefit is payable for less than a week, We will pay 1/5 of the Weekly Benefit for each day You were Disabled.

Our Vocational Rehabilitation Program offers comprehensive clinical, vocational and job placement services, as well as work-related news, research and continuing education.

We only offset 50% of work earnings for claimants in approved rehabilitation programs, allowing them to combine earnings and benefits to receive up to 100% of their pre-disability income.

Rehabilitative Employment Benefit: *What happens to my benefits if I accept Rehabilitative Employment?*
If, while You are Totally Disabled or Disabled and Working, You accept Rehabilitative Employment, We will continue to pay a Weekly Benefit.

The Weekly Benefit We will pay will be equal to Your Total Disability Weekly Benefit, less 50% of any income received from the Rehabilitative Employment.

The sum of the Weekly Benefit and total income received from Rehabilitative Employment may not exceed 100% of Your Pre-disability Earnings. If this sum exceeds the Pre-disability Earnings, the Weekly Benefit paid by Us will be reduced by the excess amount.

We reserve the right to review any Rehabilitative Employment You participate in while benefits are being paid under The Policy.
If You remain Totally Disabled or Disabled and Working after a period of Rehabilitative Employment, You may continue to receive benefits under the Total

Note: This sample contract is not intended for public dissemination and was drafted for informational purposes only. This document does not constitute a legal document. Language shown includes standard provisions of The Hartford's filed and approved insurance contract, not all available coverage options. The provisions included herein are not recommendations specific to any customer and are not intended to serve as advice for the coverage you may select.

Disability Benefit or Disabled and Working Benefit, subject to the Maximum Payment Period for such benefit.

EXCLUSIONS AND LIMITATIONS

Exclusions: *What Disabilities are not covered?*
The Policy does not cover, and We will not pay a benefit for, any Disability:

1) unless You are under the Regular Care of a Physician;
2) that is caused or contributed to by war or act of war, whether declared or not;
3) caused by Your commission of or attempt to commit a felony;
4) caused or contributed to by Your being engaged in an illegal occupation; or
5) caused or contributed to by an intentionally self-inflicted Injury;
6) for which Workers' Compensation benefits are paid, or may be paid, if duly claimed;
7) sustained as a result of doing any work for pay or profit for another employer, including self-employment.

Exclusions #6 and #7 are included when the plan does not cover work-related disabilities.

Included if there is a prior carrier.

If You are receiving or are eligible for benefits for a Disability under a prior disability plan that:

1) was sponsored by Your Employer; and
2) was terminated before the Effective Date of The Policy,

no benefits will be payable for the Disability under The Policy

Optional Pre-existing Condition Limitation

An option for a full Pre-existing Condition Exclusion is also available.

Pre-existing Condition Limitation: *Are benefits limited for Pre-existing Conditions?*
We will only pay benefits, or an increase in benefits, under The Policy for any Disability that results from, or is caused or contributed to by, a Pre-existing Condition for up to 4 week(s), unless, at the time You become Disabled:

The 'Treatment Free' period means claimants won't be excluded for benefits if they do not receive treatment during this period.

1) You have not received Medical Care for the condition for 90 consecutive day(s) while insured under The Policy; or
2) You have been continuously insured under The Policy for 365 consecutive day(s).

Pre-existing Condition means:

1) any Injury, Sickness, Mental Illness, pregnancy, or episode of Substance Abuse; or
2) any manifestations, symptoms, findings, or aggravations related to or resulting from such Injury, Sickness, Mental Illness, pregnancy, or Substance Abuse;

for which You received Medical Care during the 90 consecutive day(s) period that ends the day before:

1) Your effective date of coverage; or
2) the effective date of a Change in Coverage.

Medical Care is received when a Physician or other health care provider:

1) is consulted or gives medical advice; or
2) recommends, prescribes, or provides Treatment.

Treatment includes but is not limited to:

1) medical examinations, tests, attendance or observation, and
2) use of drugs, medicines, medical services, supplies or equipment.

Note: This sample contract is not intended for public dissemination and was drafted for informational purposes only. This document does not constitute a legal document. Language shown includes standard provisions of The Hartford's filed and approved insurance contract, not all available coverage options. The provisions included herein are not recommendations specific to any customer and are not intended to serve as advice for the coverage you may select.

General information about the claim process and how benefits are proven, paid, denied, and / or appealed.

GENERAL PROVISIONS

Notice of Claim: *When should I notify the Company of a claim?*
You must give Us written, electronic or telephonic notice of a claim within 30 days after Disability occurs. Failure to give notice within such time shall not invalidate or reduce any claim if it shall be shown not to have been reasonably possible to give such notice and that notice was given as soon as was reasonably possible. Such notice must include Your name, Your address and the Policy Number.

Claim Forms: *Are special forms required to file a claim?*
We will send forms to You to provide Proof of Loss, within 15 days of receiving a Notice of Claim. If We do not send the forms within 15 days, You may submit any other written, electronic or telephonic proof which fully describes the nature and extent of Your claim.

Proof of Loss is typically provided by telephone; however, if forms are required, they will be sent to You for providing Proof of Loss within 15 days after We receive a notice of claim.

Proof of Loss: *What is Proof of Loss?*
Proof of Loss may include but is not limited to the following:

1) documentation of:
   a) the date Your Disability began;
   b) the cause of Your Disability;
   c) the prognosis of Your Disability;
   d) Your Pre-disability Earnings, Current Weekly Earnings or any income, including but not limited to copies of Your filed and signed federal and state tax returns; and
   e) evidence that You are under the Regular Care of a Physician;
2) any and all medical information, including x-ray films and photocopies of medical records, including histories, physical, mental or diagnostic examinations and treatment notes;
3) the names and addresses of all:
   a) Physicians or other qualified medical professionals You have consulted;
   b) hospitals or other medical facilities in which You have been treated; and
   c) pharmacies which have filled Your prescriptions within the past three years;
4) Your signed authorization for Us to obtain and release:
   a) medical, employment and financial information; and
   b) any other information We may reasonably require;
5) Your signed statement identifying all Other Income Benefits; and
6) proof that You and Your dependents have applied for all Other Income Benefits which are available.

You will not be required to claim any retirement benefits which You may only get on a reduced basis. All proof submitted must be satisfactory to Us.

Note: This sample contract is not intended for public dissemination and was drafted for informational purposes only. This document does not constitute a legal document. Language shown includes standard provisions of The Hartford's filed and approved insurance contract; not all available coverage options. The provisions included herein are not recommendations specific to any customer and are not intended to serve as advice for the coverage you may select.

Additional Proof of Loss: *What Additional Proof of Loss is the Company entitled to?*
To assist Us in determining if You are Disabled, or to determine if You meet any other term or condition of The Policy, We have the right to require You to:

1) meet and interview with Our representative; and
2) be examined by a Physician, vocational expert, functional expert, or other medical or vocational professional of Our choice.

Any such interview, meeting or examination will be:

1) at Our expense; and
2) as reasonably required by Us.

Your Additional Proof of Loss must be satisfactory to Us. Unless We determine You have a valid reason for refusal, We may deny, suspend or terminate Your benefits if You refuse to be examined or meet to be interviewed by Our representative.

Sending Proof of Loss: *When must Proof of Loss be given?*
Written Proof of Loss must be sent to Us within 90 days following the completion of the Benefits Commence period. If proof is not given by the time it is due, it will not affect the claim if:

1) it was not reasonably possible to give proof within the required time; and
2) proof is given as soon as reasonably possible ; but
3) not later than 1 year after it is due, unless You are not legally competent.

We may request Proof of Loss throughout Your Disability, as reasonably required. In such cases, We must receive the proof within 30 day(s) of the request.

Benefits are paid weekly ►

Claim Payment: *When are benefit payments issued?*
When We determine that You:

1) are Disabled; and
2) eligible to receive benefits;

We will pay accrued benefits at the end of each week that You are Disabled. We may, at Our option, make an advance benefit payment based on Our estimated duration of Your Disability. If any payment is due after a claim is terminated, it will be paid as soon as Proof of Loss satisfactory to Us is received.

Benefits may be subject to interest payments as required by applicable law.

Benefits are paid directly to the disabled employee. ►

Claims to be Paid: *To whom will benefits for my claim be paid?*
All payments are payable to You. Any payments owed at Your death may be paid to Your estate. If any payment is owed to:

1) Your estate;
2) a person who is a minor; or
3) a person who is not legally competent;

then We may pay up to $1,000 to a person who is Related to You and who, at Our sole discretion, is entitled to it. Any such payment shall fulfill Our responsibility for the amount paid.

Claim Denial: *What notification will I receive if my claim is denied?*
If a claim for benefits is wholly or partly denied, You will be furnished with written notification of the decision. This written notification will:

1) give the specific reason(s) for the denial;
2) make specific reference to The Policy provisions on which the denial is based;
3) provide a description of any additional information necessary to perfect a claim and an explanation of why it is necessary; and
4) provide an explanation of the review procedure.

Note: This sample contract is not intended for public dissemination and was drafted for informational purposes only. This document does not constitute a legal document. Language shown includes standard provisions of The Hartford's filed and approved insurance contract, not all available coverage options. The provisions included herein are not recommendations specific to any customer and are not intended to serve as advice for the coverage you may select.

Claim Appeal: *What recourse do I have if my claim is denied?*
On any claim, You or Your representative may appeal to Us for a full and fair review. To do so, You:

1) must request a review upon written application within:
   a) 180 days of receipt of claim denial if the claim requires Us to make a determination of disability; or
   b) 60 days of receipt of claim denial if the claim does not require Us to make a determination of disability; and
2) may request copies of all documents, records, and other information relevant to Your claim; and
3) may submit written comments, documents, records and other information relating to Your claim.

We will respond to You in writing with Our final decision on the claim.

Social Security: *When must I apply for Social Security Benefits?*
You must apply for Social Security disability benefits when the length of Your Disability meets the minimum duration required to apply for such benefits. You must apply within 45 days from the date of Our request. If the Social Security Administration denies Your eligibility for benefits, You will be required:

1) to follow the process established by the Social Security Administration to reconsider the denial; and
2) if denied again, to request a hearing before an Administrative Law Judge of the Office of Hearing and Appeals.

Benefit Estimates: *How does the Company estimate Disability benefits under the United States Social Security Act?*
We reserve the right to reduce Your Weekly Benefit by estimating the Social Security disability benefits You or Your spouse and children may be eligible to receive.

When We determine that You or Your dependent may be eligible for benefits, We may estimate the amount of these benefits. We may reduce Your Weekly Benefit by the estimated amount.
Your Weekly Benefit will not be reduced by estimated Social Security disability benefits if:

1) You apply for Social Security disability benefits and pursue all required appeals in accordance with the Social Security provision; and
2) You have signed a form authorizing the Social Security Administration to release information about awards directly to Us; and
3) You have signed and returned Our reimbursement agreement, which confirms that You agree to repay all overpayments.

If We have reduced Your Weekly Benefit by an estimated amount and:

1) You or Your dependent are later awarded Social Security disability benefits, We will adjust Your Weekly Benefit when We receive proof of the amount awarded, and determine if it was higher or lower than Our estimate; or
2) Your application for Social Security disability benefits has been denied, We will adjust Your Weekly Benefit when You provide Us proof of final denial from which You cannot appeal from an Administrative Law Judge of the Office of Hearing and Appeals.

If Your Social Security benefits were lower than We estimated, and We owe You a refund, We will make such refund in a lump sum. If Your Social Security Benefits were higher than We estimated, and if Your Weekly Benefit has been overpaid, You must make a lump sum refund to Us equal to all overpayments, in accordance with the Overpayment Recovery provision.

Note: This sample contract is not intended for public dissemination and was drafted for informational purposes only. This document does not constitute a legal document. Language shown includes standard provisions of The Hartford's filed and approved insurance contract, not all available coverage options. The provisions included herein are not recommendations specific to any customer and are not intended to serve as advice for the coverage you may select.

Overpayment: *When does an overpayment occur?*
An overpayment occurs:

1) when We determine that the total amount We have paid in benefits is more than the amount that was due to You under The Policy; or
2) when payment is made by Us that should have been made under another group policy.

This includes, but is not limited to, overpayments resulting from:

1) retroactive awards received from sources listed in the Other Income Benefits definition;
2) failure to report, or late notification to Us of any Other Income Benefit(s) or earned income;
3) misstatement;
4) fraud; or
5) any error We may make.

Overpayment Recovery: *How does the Company exercise the right to recover overpayments?*
We have the right to recover from You any amount that We determine to be an overpayment. You have the obligation to refund to Us any such amount. Our rights and Your obligations in this regard may also be set forth in the reimbursement agreement You will be required to sign when You become eligible for benefits under The Policy.

If benefits are overpaid on any claim, You must reimburse Us within 30 days.

If reimbursement is not made in a timely manner, We have the right to:

1) recover such overpayments from:
   a) You;
   b) any other organization;
   c) any other insurance company;
   d) any other person to or for whom payment was made; and
   e) Your estate;
2) reduce or offset against any future benefits payable to You or Your survivors, including the Minimum Weekly Benefit, until full reimbursement is made. Payments may continue when the overpayment has been recovered;
3) refer Your unpaid balance to a collection agency; and
4) pursue and enforce all legal and equitable rights in court.

Subrogation allows The Hartford to bring a legal action against a Third Party to recover benefits it has paid to a claimant. Not all states permit subrogation.

Subrogation: *What are the Company's subrogation rights?*
If You:

1) suffer a Disability because of the act or omission of a Third Party;
2) become entitled to and are paid benefits under The Policy in compensation for lost wages; and
3) do not initiate legal action for the recovery of such benefits from the Third Party in a reasonable period of time;

then We will be subrogated to any rights You may have against the Third Party and may, at Our option, bring legal action against the Third Party to recover any payments made by Us in connection with the Disability.

Third Party as used in this provision, means any person or legal entity whose act or omission, in full or in part, causes You to suffer a Disability for which benefits are paid or payable under The Policy.

Note: This sample contract is not intended for public dissemination and was drafted for informational purposes only. This document does not constitute a legal document. Language shown includes standard provisions of The Hartford's filed and approved insurance contract, not all available coverage options. The provisions included herein are not recommendations specific to any customer and are not intended to serve as advice for the coverage you may select.

We have the right to be reimbursed in certain situations. Reimbursement is not the same as subrogation.

Reimbursement: *What are the Company's Reimbursement Rights?*
We have the right to request to be reimbursed for any benefit payments made or required to be made under The Policy for a Disability for which You recover paymer from a Third Party.

If You recover payment from a Third Party as:
a) a legal judgment;
b) an arbitration award; or
c) a settlement or otherwise;
You must reimburse Us for the lesser of:
a) the amount of payment made or required to be made by Us; or
b) the amount recovered from the Third Party less any reasonable legal fees associated with the recovery.

Third Party as used in this provision, means any person or legal entity whose act or omission, in full or in part, causes You to suffer a Disability for which benefits are paid or payable under The Policy.

Legal Actions: *When can legal action be taken against Us?*
Legal action cannot be taken against Us:
1) sooner than 60 days after the date Proof of Loss is given; or
2) more than 3 years after the date Proof of Loss is required to be given according to the terms of The Policy.

Insurance Fraud: *How does the Company deal with fraud?*
Insurance Fraud occurs when You and/or Your Employer provide Us with false information or file a claim for benefits that contains any false, incomplete or misleading information with the intent to injure, defraud or deceive Us. It is a crime if You and/or Your Employer commit Insurance Fraud. We will use all means available to Us to detect, investigate, deter and prosecute those who commit Insurance Fraud. We will pursue all available legal remedies if You and/or Your Employer perpetrate Insurance Fraud.

Misstatements: *What happens if facts are misstated?*
If material facts about You were not stated accurately:
1) Your premium may be adjusted; and
2) the true facts will be used to determine if, and for what amount, coverage should have been in force.

No statement, except fraudulent misstatements, made by You relating to Your insurability will be used to contest the insurance for which the statement was made after the insurance has been in force for two years during Your lifetime. In order to be used, the statement must be in writing and signed by You.

All statements made by the Policyholder, the Employer or You under The Policy will be deemed representations and not warranties. No statement made to affect this insurance will be used in any contest unless it is in writing and a copy of it is given to the person who made it, or to his or her beneficiary or Your representative.

Policy Interpretation: *Who interprets the terms and conditions of The Policy?*
We have full discretion and authority to determine eligibility for benefits and to construe and interpret all terms and provisions of The Policy. This provision applies where the interpretation of The Policy is governed by the Employee Retirement Income Security Act of 1974, as amended (ERISA).

Note: This sample contract is not intended for public dissemination and was drafted for informational purposes only. This document does not constitute a legal document. Language shown includes standard provisions of The Hartford's filed and approved insurance contract, not all available coverage options. The provisions included herein are not recommendations specific to any customer and are not intended to serve as advice for the coverage you may select.

Physical Examinations and Autopsy: *Will I be examined during the course of my claim?*
While a claim is pending We have the right at Our expense:

1) to have the person who has a loss examined by a Physician when and as often as reasonably necessary; and
2) to make an autopsy in case of death where it is not forbidden by law.

DEFINITIONS

Actively at Work means at work with the Employer on a day that is one of the Employer's scheduled workdays. On that day, You must be performing for wage or profit all of the regular duties of Your Occupation:

1) in the usual way; and
2) for Your usual number of hours.

We will consider You Actively at Work on a day that is not a scheduled work day only if You were Actively at Work on the preceding scheduled work day.

Active Employee means an employee who works for the Employer on a regular basis in the usual course of the Employer's business. This must be at least the number of hours shown in the Schedule of Insurance.

Included if Bonuses are selected as part of the definition for Pre-disability Earnings. Several averaging periods are available.

Bonuses means the weekly average of monetary bonuses You received from Your Employer over:

1) the 2 calendar year period ending immediately prior to the last day You were Actively at Work before You became Disabled; or
2) the total period of time You worked for Your Employer, if less than the above period.

Included if Commissions are selected as part of the definition for Pre-disability Earnings. Additional averaging periods are available.

Commissions means the weekly average of monetary commissions You received from Your Employer over:

1) the 2 calendar year period ending immediately prior to the last day You were Actively at Work before You became Disabled; or
2) the total period of time You worked for Your Employer, if less than the above period.

Current Weekly Earnings include earnings from any employment. However, we will only consider earnings from other employment in excess of what the claimant was receiving prior to date of Disability.

Current Weekly Earnings means weekly earnings You receive from:

1) Your Employer; and
2) other employment;

while You are Disabled and eligible for the Disabled and Working Benefit.

However, if the other employment is a job You held in addition to Your job with Your Employer, then during any period that You are entitled to benefits for being Disabled from Your Occupation, only the portion of Your earnings that exceeds Your average earnings from the other employer over the 6 month period just before You became Disabled will count as Current Weekly Earnings.

Optional language
To encourage the return to work, the amount of potential income from a job offered by the employer (or another employer) will be considered as earnings, even if the offer is refused.

Current Weekly Earnings also includes the pay You could have received for another job or a modified job if:

1) such job was offered to You by Your Employer, or another employer, and You refused the offer; and
2) the requirements of the position were consistent with:
   a) Your education, training and experience; and
   b) Your capabilities as medically substantiated by Your Physician.

Note: This sample contract is not intended for public dissemination and was drafted for informational purposes only. This document does not constitute a legal document. Language shown includes standard provisions of The Hartford's filed and approved insurance contract, not all available coverage options. The provisions included herein are not recommendations specific to any customer and are not intended to serve as advice for the coverage you may select.

Disabled and Working means that You are prevented by:

1) Injury;
2) Sickness;
3) Mental Illness;
4) Substance Abuse; or
5) pregnancy;

from performing some, but not all of the Essential Duties of Your Occupation, are working on a part-time or limited duty basis and as a result, Your Current Weekly Earnings are more than 20%, but are less than 80% of Your Pre-disability Earnings.

Disability or Disabled means Total Disability or Disabled and Working Disability.

Employer means the Policyholder.

Essential Duty means a duty that:

1) is substantial, not incidental;
2) is fundamental or inherent to the occupation; and
3) cannot be reasonably omitted or changed.

Your ability to work the number of hours in Your regularly scheduled workweek is an Essential Duty.

Injury means bodily injury resulting:

1) directly from accident; and
2) independently of all other causes;

which occurs while You are covered under The Policy. However, an Injury will be considered a Sickness if Your Disability begins more than 30 days after the date of the accident.

Mental Illness means a mental disorder as listed in the current version of the Diagnostic and Statistical Manual of Mental Disorders, published by the American Psychiatric Association. A Mental Illness may be caused by biological factors or result in physical symptoms or manifestations.

For the purpose of The Policy, Mental Illness does not include the following mental disorders outlined in the Diagnostic and Statistical Manual of Mental Disorders:

1) Mental Retardation;
2) Pervasive Developmental Disorders;
3) Motor Skills Disorder;
4) Substance-Related Disorders;
5) Delirium, Dementia, and Amnesic and Other Cognitive Disorders; or
6) Narcolepsy and Sleep Disorders related to a General Medical Condition.

Other Income Benefits are offsets deducted from the benefit. State regulations may cause this list to vary.

Other Income Benefits means the amount of any benefit for loss of income, provided to You or Your family, as a result of the period of Disability for which You are claiming benefits under The Policy. This includes any such benefits for which You or Your family are eligible or that are paid to You or Your family, or to a third party on Your behalf, pursuant to any:

1) temporary, permanent disability, or impairment benefits under a Workers' Compensation Law, the Jones Act, occupational disease law, similar law or substitutes or exchanges for such benefits;
2) governmental law or program that provides disability or unemployment benefits as a result of Your job with Your Employer;
3) plan or arrangement of coverage, whether insured or not, which is received from Your Employer as a result of employment by or association with Your Employer or which is the result of membership in or association with any group, association, union or other organization;
4) mandatory "no fault" automobile insurance plan;
5) disability benefits under:

Note: This sample contract is not intended for public dissemination and was drafted for informational purposes only. This document does not constitute a legal document. Language shown includes standard provisions of The Hartford's filed and approved insurance contract, not all available coverage options. The provisions included herein are not recommendations specific to any customer and are not intended to serve as advice for the coverage you may select.

a) the United States Social Security Act or alternative plan offered by a state or municipal government;
b) the Railroad Retirement Act;
c) the Canada Pension Plan, the Canada Old Age Security Act, the Quebec Pension Plan or any provincial pension or disability plan; or
d) similar plan or act;

that You, Your spouse and/or children, are eligible to receive because of Your Disability; or

6) disability benefit from the Department of Veterans Affairs, or any other foreign or domestic governmental agency:
   a) that begins after You become Disabled; or
   b) that You were receiving before becoming Disabled, but only as to the amount of any increase in the benefit attributed to Your Disability.

Other Income Benefits also means any payments that are made to You or to Your family, or to a third party on Your behalf, pursuant to any:

1) disability benefit under Your Employer's retirement Plan;
2) temporary, permanent disability or impairment benefits under a Workers' Compensation Law, the Jones Act, occupational disease law, similar law or substitutes or exchanges for such benefits;
3) portion of a judgment or settlement, minus associated costs, of a claim or lawsuit that represents or compensates for Your loss of earnings; or
4) retirement benefits under:
   a) the United States Social Security Act or alternative plan offered by a state or municipal government;
   b) the Railroad Retirement Act;
   c) the Canada Pension Plan, the Canada Old Age Security Act, the Quebec Pension Plan or any provincial pension or disability plan;
   d) similar plan or act;

   that You, Your spouse and/or children receive because of Your retirement, unless You were receiving them prior to becoming Disabled.

The amount of any increase in Other Income Benefits will not be included as Other Income Benefits if such increase:

1) takes effect after the date benefits become payable under The Policy; and
2) is a general increase which applies to all persons who are entitled to such benefits.

Lump sum offsets ►

If You are paid Other Income Benefits in a lump sum or settlement, You must provide proof satisfactory to Us of:

1) the amount attributed to loss of income; and
2) the period of time covered by the lump sum or settlement.

We will pro-rate the lump sum or settlement over this period of time. If You cannot or do not provide this information, We will assume the entire sum to be for loss of income, and the time period to be 24 months. We may make a retroactive allocation of any retroactive Other Income Benefit. A retroactive allocation may result in an overpayment of Your claim.

Included if First Day Hospitalization with Outpatient Surgery is elected ►

Outpatient Surgical Procedure means a medically necessary surgical procedure performed by a Physician in the outpatient department of a hospital or ambulatory surgical center.

Note: This sample contract is not intended for public dissemination and was drafted for informational purposes only. This document does not constitute a legal document. Language shown includes standard provisions of The Hartford's filed and approved insurance contract, not all available coverage options. The provisions included herein are not recommendations specific to any customer and are not intended to serve as advice for the coverage you may select.

Physician means a person who is:

1) a doctor of medicine, osteopathy, psychology or other legally qualified practitioner of a healing art that We recognize or are required by law to recognize;
2) licensed to practice in the jurisdiction where care is being given;
3) practicing within the scope of that license; and
4) not You or Related to You by blood or marriage.

Standard definition *excludes* Bonus, Commissions, overtime pay or any other extra compensation.

▶ **Pre-disability Earnings** means Your regular weekly rate of pay, not counting bonuses, commissions, tips and tokens, overtime pay or any other fringe benefits or extra compensation in effect on the date You were Actively at Work before You became Disabled.

Other options, including options based on W2 earnings or K1 earnings, are available.

However, if You were an hourly paid Active Employee before You became Disabled, Pre-disability Earnings means the product of:

1) the average number of hours You worked per week, not including overtime, over the most recent 12 month period immediately prior to the last day You were Actively at Work before You became Disabled, multiplied by:
2) Your hourly wage in effect immediately prior to the last day You were Actively at Work before You became Disabled.

Included if takeover (fully insured or self-funded).

▶ **Prior Policy** means the short term disability insurance carried by the Policyholder on the day before the Policy Effective Date.

Regular Care of a Physician means that You are being treated by a Physician:

1) whose medical training and clinical experience are suitable to treat Your disabling condition; and
2) whose treatment is:
   a) consistent with the diagnosis of the disabling condition;
   b) according to guidelines established by medical, research, and rehabilitative organizations; and
   c) administered as often as needed;

   to achieve the maximum medical improvement.

Rehabilitative Employment means employment or service which:

1) prepares a Disabled person to resume gainful work; and
2) is approved, in writing, by Us.

Related means Your spouse, or other adult living with You, or Your sibling, parent, step-parent, grandparent, aunt, uncle, niece, nephew, son, daughter, or grandchild.

Sickness means a Disability which is:

1) caused or contributed to by:
   a) any condition, illness, disease or disorder of the body;
   b) any infection, except a pus-forming infection of an accidental cut or wound or bacterial infection resulting from an accidental ingestion of a contaminated substance;
   c) hernia of any type unless it is the immediate result of an accidental Injury covered by The Policy; or
   d) pregnancy;
2) caused or contributed to by any medical or surgical treatment for a condition shown in item 1) above.

Note: This sample contract is not intended for public dissemination and was drafted for informational purposes only. This document does not constitute a legal document. Language shown includes standard provisions of The Hartford's filed and approved insurance contract, not all available coverage options. The provisions included herein are not recommendations specific to any customer and are not intended to serve as advice for the coverage you may select.

Substance Abuse means the pattern of pathological use of alcohol or other psychoactive drugs and substances characterized by:

1) impairments in social and/or occupational functioning;
2) debilitating physical condition;
3) inability to abstain from or reduce consumption of the substance; or
4) the need for daily substance use to maintain adequate functioning.

Substance includes alcohol and drugs but excludes tobacco and caffeine.

The Policy means the Policy which We issued to the Policyholder under the Policy number shown on the face page.

Total Disability or Totally Disabled means that You are prevented by:

1) Injury;
2) Sickness;
3) Mental Illness;
4) Substance Abuse; or
5) pregnancy;

from performing the Essential Duties of Your Occupation, and as a result, You are earning 20% or less of Your Pre-disability Earnings. If You are in an occupation that requires You to maintain a license, Your failure to pass a physical examination required to maintain a license to perform the duties of Your Occupation alone, does not mean that You are Disabled from Your Occupation.

We, Our, or Us means the insurance company named on the face page of The Policy.

Weekly Benefit means a weekly sum payable to You while You are Disabled, subject to the terms of The Policy.

Your Occupation means Your Occupation as it is recognized in the general workplace. Your Occupation does not mean the specific job You are performing for a specific employer or at a specific location.

You or Your means the person to whom this certificate is issued.

The Hartford® is The Hartford Financial Services Group, Inc. and its subsidiaries including issuing companies Hartford Life Insurance Company and Hartford Life and Accident Insurance Company. Home office is Hartford, CT.

Note: This sample contract is not intended for public dissemination and was drafted for informational purposes only. This document does not constitute a legal document. Language shown includes standard provisions of The Hartford's filed and approved insurance contract, not all available coverage options. The provisions included herein are not recommendations specific to any customer and are not intended to serve as advice for the coverage you may select.

The Hartford Group Benefits

2011 SAMPLE CONTRACT

DISABILITY INSURANCE

THE HARTFORD

Employee Benefits

Group Benefits Long Term Disability
Standard Version

5327 NS 08/14 © 2014 The Hartford Financial Services Group, Inc. All rights reserved.

Prepare. Protect. Prevail. With The Hartford.[SM]

Long Term Disability

Class Description(s):
All Full-time Active Employees who are Non Union Civil Service Employees and Teamster Local 191
Full Time Eligibility: 30 hours per week

Feature	Description
Benefit Percentage	60%
Maximum Monthly Benefit	$5,000
Minimum Monthly Benefit	Greater of $100 or 10%
Elimination Period	90 Days
Benefit Duration	ADEA 1 with Social Security Normal Retirement Age
Definition Of Disability	2 Years Own Occupation
Earnings Loss From Day 1	Not Included
Return To Work Incentive Applies	Yes
Integration Method	Direct
Social Security Offset	Family
Pre-Existing Condition Limitation	Look-back/Insured 3/12 months
Takeover Provision	No Loss/No Gain
Mental Illness Limitation	24 Month Outpatient
Substance Abuse Limitation	24 Month Outpatient
Specified Condition Limitation	None
Family Care Credit	Not Included
Workplace Modification Benefit	Included
Rehabilitation Participation Requirements	Included
Recommended Treatment Requirements	Included
Survivor Income Benefit Option	3 Times Last Monthly Net Benefit
Employer Participates In Worker's Compensation	Yes
Employee Contribution	Non-Contributory
Participation Requirement	100% of Eligible Employees
FICA Match Service	Included
Initial Rate Guarantee Period	2 Years

Rate Summary

Coverage Category/Class	No of Lives	Rate Basis	Volume	Monthly Premium
LTD	78	$0.285 Per $100 Of Covered Salary	486,286.09	$1,385.92

Copyright © 2017 by The Hartford. Classification: Company Confidential. All rights reserved.
No part of this document may be used, reproduced, published or posted without the permission of The Hartford.

Group Disability Income Insurance

HARTFORD LIFE AND ACCIDENT INSURANCE COMPANY

One Hartford Plaza
Hartford, Connecticut 06155
(A stock insurance company)

The Hartford® is The Hartford Financial Services Group, Inc. and its subsidiaries.

CERTIFICATE OF INSURANCE

If The Policy is written through a trust, the trustees of the trust would be the policyholder and the Participating Employer Name and Account Number would be added. ▶

Policyholder: ABC COMPANY
Policy Number: GLT-999999
Policy Effective Date: April 1, 2017
Policy Anniversary Date: April 1, 2018

We have issued The Policy to the Policyholder. Our name, the Policyholder's name, and the Policy Number are shown above. The provisions of The Policy, which are important to You, are summarized in this certificate consisting of this form and any additional forms which have been made a part of this certificate. This certificate replaces any other certificate We may have given to You earlier under The Policy. The Policy alone is the only contract under which payment will be made. Any difference between The Policy and this certificate will be settled according to the provisions of The Policy on file with Us at Our home office. The Policy may be inspected at the office of the Policyholder.

Signed for the Company

Lisa Levin, *Secretary*

Michael Concannon, *President*

Defined terms are capitalized throughout the Certificate. ▶

A note on capitalization in this certificate:
Capitalization of a term, not normally capitalized according to the rules of standard punctuation, indicates a word or phrase that is a defined term in The Policy or refers to a specific provision contained herein.

Copyright © 2016 by The Hartford. Classification: Internally Controlled. All rights reserved.
No part of this document may be used, reproduced, published or posted without the permission of The Hartford.
Note: This sample contract is not intended for public dissemination and was drafted for informational purposes only. This document does not constitute a document. Language shown includes standard provisions of The Hartford's filed and approved insurance contract, not all available coverage options. The provisions included herein are not recommendations specific to any customer and are not intended to serve as advice for the coverage you may select.

This sample represents our standard contract and includes some common options. State exceptions may apply.

TABLE OF CONTENTS

Copyright © 2016 by The Hartford. Classification: Internally Controlled. All rights reserved.
No part of this document may be used, reproduced, published or posted without the permission of The Hartford.

Note: This sample contract is not intended for public dissemination and was drafted for informational purposes only. This document does not constitute a legal document. Language shown includes standard provisions of The Hartford's filed and approved insurance contract, not all available coverage options. The provisions included herein are not recommendations specific to any customer and are not intended to serve as advice for the coverage you may select.

SCHEDULE OF INSURANCE

The Schedule of Insurance specifications will be tailored to the Employer's requirements.

The Policy of long term Disability insurance provides You with long term income protection if You become Disabled from a covered injury, sickness or pregnancy. **Please refer to Your group enrollment form to see the Option that applies to You.**

Contributory or non-contributory coverage available.

Cost of Coverage:
You are required/are not required to contribute toward the cost of coverage

These Disclosures appear when there is contributory coverage.

Disclosure of Fees:
We may reduce or adjust premiums, rates, fees and/or other expenses for programs under The Policy.

Disclosure of Services:
In addition to the insurance coverage, We may offer noninsurance benefits and services to Active Employee.

A person's class determines the benefits for which he or she is eligible.

Eligible Class(es) For Coverage:
All Full-time Active Employees who are citizens or legal residents of the United States, its territories and protectorates; excluding temporary, leased or seasonal Employees.

Full-time Employment: at least 30 hours weekly

Included if the Employer offers an Annual Enrollment Period.

Annual Enrollment Period: as determined by Your Employer on a yearly basis

A variety of options are available.

Eligibility Waiting Period for Coverage:

1) 30 day(s) - if You are working for the Employer on the Policy Effective Date or
2) 60 day(s) - if You start working for the Employer after the Policy Effective Date.

Previous service with the Employer may be used to reduce the waiting period for coverage.

The time period(s) referenced above are continuous. The Eligibility Waiting Period for Coverage will be reduced by the period of time You were a Full-time Active Employee with the Employer under the Prior Policy.

Elimination Period is the later of the number of days stated or the expiration of short term disability or salary continuation.

Elimination Period: 180 day(s)

Maximum Monthly Benefit:
Guaranteed Issue Amount: $2,500
Maximum Benefit Amount: $5,000

Guaranteed Issue is available as a plan design option.

May also be a flat dollar amount.

Minimum Monthly Benefit: the greater of:

1) $100 or
2) 10% of the benefit based on Monthly Income Loss before the deduction of Other Income Benefits.

Copyright © 2016 by The Hartford. Classification: Internally Controlled. All rights reserved.
No part of this document may be used, reproduced, published or posted without the permission of The Hartford.

Note: This sample contract is not intended for public dissemination and was drafted for informational purposes only. This document does not constitute a legal document. Language shown includes standard provisions of The Hartford's filed and approved insurance contract, not all available coverage options. The provisions included herein are not recommendations specific to any customer and are not intended to serve as advice for the coverage you may select.

Benefits are based on a percentage of earnings.

Core/Buy-up options are also available.

Benefit Percentage: 60%

Other ADEA benefit durations are available, including 2 year or 5 year graded.

Maximum Duration of Benefits

Maximum Duration of Benefits Table

Age When Disabled	Benefits Payable
Prior to Age 63	To Normal Retirement Age or 42 months, if greater
Age 63	To Normal Retirement Age or 36 months, if greater
Age 64	30 months
Age 65	24 months
Age 66	21 months
Age 67	18 months
Age 68	15 months
Age 69 and over	12 months

Normal Retirement Age means the Social Security Normal Retirement Age as stated in the 1983 revision of the United States Social Security Act. It is determined by Your date of birth as follows:

Year of Birth	Normal Retirement Age
1937 or before	65
1938	65 + 2 months
1939	65 + 4 months
1940	65 + 6 months
1941	65 + 8 months
1942	65 + 10 months
1943 thru 1954	66
1955	66 + 2 months
1956	66 + 4 months
1957	66 + 6 months
1958	66 + 8 months
1959	66 + 10 months
1960 or after	67

Additional benefits which are described in more detail later on in the booklet.

Additional Benefits:

Workplace Modification Benefit
see benefit

Family Care Credit
see benefit

Survivor Income Benefit
see benefit

ELIGIBILITY AND ENROLLMENT

Eligible Persons: *Who is eligible for coverage?*
All persons in the class or classes shown in the Schedule of Insurance will be

Copyright © 2016 by The Hartford. Classification: Internally Controlled. All rights reserved.
No part of this document may be used, reproduced, published or posted without the permission of The Hartford.

Note: This sample contract is not intended for public dissemination and was drafted for informational purposes only. This document does not constitute a legal document. Language shown includes standard provisions of The Hartford's filed and approved insurance contract, not all available coverage options. The provisions included herein are not recommendations specific to any customer and are not intended to serve as advice for the coverage you may select.

considered Eligible Persons.

Eligibility for Coverage: *When will I become eligible?*
You will become eligible for coverage on the later of:

1) the Policy Effective Date; or
2) the date You complete the Eligibility Waiting Period for Coverage shown in the Schedule of Insurance, if applicable.

Enrollment for non-contributory coverage. ►

Enrollment: *How do I enroll for coverage?*
All eligible Active Employees will be enrolled automatically by the Employer.

Enrollment for contributory coverage. ► *Also includes the following sections:*

Evidence of Insurability
Change in Family Status
Changes In Coverage

Enrollment: *How do I enroll for coverage?*
To enroll for coverage You must:

1) complete and sign a group insurance enrollment form which is satisfactory to Us; and
2) deliver it to Your Employer.

You have the option to enroll by voice recording or electronically. Your Employer will provide instructions.

If You do not enroll within 31 days after becoming eligible under The Policy, or if You were eligible to enroll under the Prior Policy and did not do so, and later choose to enroll or if You enroll for a Monthly Benefit Amount greater than the Guaranteed Issue Amount:

1) You must give Us Evidence of Insurability satisfactory to Us; and
2) You may only enroll:
   a) during an Annual Enrollment Period designated by the Policyholder; or
   b) within 31 days of the date You have a Change in Family Status.

The dates of the Annual Enrollment Period are shown in the Schedule of Insurance.

Applies to late entrants and applicants for amounts of insurance above the Guaranteed Issue Amount. ►

Evidence of Insurability: *What is Evidence of Insurability?*
Evidence of Insurability must be satisfactory to Us and may include, but will not be limited to:

1) a completed and signed application approved by Us;
2) a medical examination;
3) an attending Physician's statement; and
4) any additional information We may require.

All Evidence of Insurability will be furnished at Our expense. We will then determine if You are insurable under The Policy.

The Employer selects which of these Family Status changes to include in The Policy. Domestic Partner language may be included when requested. States may vary terms and availability of Domestic Partner coverage. ►

Change in Family Status: *What constitutes a Change in Family Status?*
A Change in Family Status occurs when:

1) You get married or You execute a domestic partner affidavit;
2) You and Your spouse divorce or You terminate a domestic partnership;
3) Your child is born or You adopt or become the legal guardian of a child;
4) Your spouse or domestic partner dies;
5) Your child is no longer financially dependent on You or dies;
6) Your spouse or domestic partner is no longer employed, which results in a loss of group insurance; or
7) You have a change in classification from part-time to full-time or from full-time to part-time.

PERIOD OF COVERAGE

Copyright © 2015 by The Hartford. Classification: Internally Controlled. All rights reserved.
No part of this document may be used, reproduced, published or posted without the permission of The Hartford.
Note: This sample contract is not intended for public dissemination and was drafted for informational purposes only. This document does not constitute a legal document. Language shown includes standard provisions of The Hartford's filed and approved insurance contract, not all available coverage options. The provisions included herein are not recommendations specific to any customer and are not intended to serve as advice for the coverage you may select.

Applies to non-contributory coverage ▶

Effective Date: *When does my coverage start?*
Your coverage will start on the date You become eligible.

Applies to contributory coverage ▶

Effective Date: *When does my coverage start?*
If You must contribute toward The Policy's cost, Your coverage will start on the earliest of:

1) the date You become eligible, for benefit amounts not requiring Evidence of Insurability, if You enroll or have enrolled by then;
2) the date on which You enroll, for benefit amounts not requiring Evidence of Insurability, if You do so within 31 days after the date You are eligible;
3) the date We approve Your Evidence of Insurability, for benefit amounts requiring Evidence of Insurability; or

#4 is included with contributory coverage and cafeteria plans ▶

4) the first day of the month following the Annual Enrollment Period if You enroll, for benefit amounts not requiring Evidence of Insurability, during an Annual Enrollment Period.

If an employee is on an approved leave, other than a medical leave, or on a paid vacation day or other approved paid day off, the Deferred Effective Date will not apply. ▶

Deferred Effective Date: *When will my effective date for coverage or a change in my coverage be deferred?*
If You are absent from work due to:

1) accidental bodily injury;
2) sickness;
3) Mental Illness;
4) Substance Abuse; or
5) pregnancy;

on the date Your insurance, or increase in coverage, would otherwise have become effective, Your insurance, or increase in coverage will not become effective until You are Actively at Work one full day.

For contributory coverage with Annual Enrollment and Change in Family Status. ▶

Changes in Coverage: *Can I change my benefit options?*
You may change Your benefit option only:

1) during an Annual Enrollment Period; or
2) within 31 days of a Change in Family Status.

At such time You may decrease coverage, or increase coverage to a higher option. An increase in coverage will be subject to Your submission of an application that meets Our approval.

When will a requested change in benefit option take effect?
If You enroll for a change in benefit option during an Annual Enrollment Period, the change will take effect on the later of:

1) the first day of the month following the Annual Enrollment Period; or
2) the date We approve Your Evidence of Insurability if You are required to submit Evidence of Insurability.

If You enroll for a change in benefit option within 31 days following a Change in Family Status, the change will take effect on the later of:

1) the date You enroll for the change; or
2) the date We approve Your Evidence of Insurability if You are required to submit Evidence of Insurability.

Any such increase in coverage is subject to the following provisions:

1) Deferred Effective Date; and
2) Pre-existing Conditions Limitations.

Applies when more than one benefit level is available, such as in a core ▶

Do coverage amounts change if there is a change in my class or my rate of pay?
Your coverage may increase or decrease on the date there is a change in Your class

Copyright © 2016 by The Hartford. Classification: Internally Controlled. All rights reserved.
No part of this document may be used, reproduced, published or posted without the permission of The Hartford.
Note: This sample contract is not intended for public dissemination and was drafted for informational purposes only. This document does not constitute a legal document. Language shown includes standard provisions of The Hartford's filed and approved insurance contract, not all available coverage options. The provisions included herein are not recommendations specific to any customer and are not intended to serve as advice for the coverage you may select.

buy-up plan

or Pre-disability Earnings. However, no increase in coverage will be effective unless on that date You:

1) are an Active Employee; and
2) are not absent from work due to being Disabled. If You were so absent from work, the effective date of such increase will be deferred until You are Actively at Work for one full day.

No change in Your Pre-disability Earnings will become effective until the date We receive notice of the change.

What happens if the Employer changes The Policy?
Any increase or decrease in coverage because of a change in The Policy will become effective on the date of the change, subject to the following provisions:

1) the Deferred Effective Date; and
2) Pre-existing Condition Limitations.

Employees will not ordinarily lose coverage due to a change in carriers. ►

Continuity From A Prior Policy: *Is there continuity of coverage from a Prior Policy?*
If You were:

1) insured under the Prior Policy; and
2) not eligible to receive benefits under the Prior Policy;

on the day before the Policy Effective Date, the Deferred Effective Date provision will not apply.

Additional no loss, no gain language is included if the plan has a Pre-existing Condition Limitation. ►

Is my coverage under The Policy subject to the Pre-existing Condition Limitation?
If You become insured under The Policy on the Policy Effective Date and were covered under the Prior Policy on the day before the Policy Effective Date, the Pre-existing Conditions Limitation will end on the earliest of :

1) the Policy Effective Date, if Your coverage for the Disability was not limited by a pre-existing condition restriction under the Prior Policy; or
2) the date the restriction would have ceased to apply had the Prior Policy remained in force, if Your coverage was limited by a pre-existing condition Limitation under the Prior Policy.

The amount of the Monthly Benefit payable for a Pre-existing Condition in accordance with the above paragraph will be the lesser of:

1) the Monthly Benefit which was paid by the Prior Policy; or
2) the Monthly Benefit provided by The Policy.

The Pre-existing Condition Limitation will apply after the Policy Effective Date to the amount of a benefit increase which results from a change from the Prior Policy to The Policy, a change in benefit options, a change of class or a change in The Policy.

Do I have to satisfy an Elimination Period under The Policy if I was Disabled under the Prior Policy?
If You received monthly benefits for disability under the Prior Policy, and You returned to work as a Full time Active Employee before the Policy Effective Date, then, if within 6 months of Your return to work:

1) You have a recurrence of the same disability while covered under The Policy; and
2) there are no benefits available for the recurrence under the Prior Policy;

the Elimination Period which would otherwise apply will be waived if the recurrence would have been covered without any further elimination period under the Prior Policy.

Coverage will terminate unless it is continued in accordance with a ►

Termination: *When will my coverage end?*
Your coverage will end on the earliest of the following.

Copyright © 2016 by The Hartford. Classification: Internally Controlled. All rights reserved.
No part of this document may be used, reproduced, published or posted without the permission of The Hartford.

Note: This sample contract is not intended for public dissemination and was drafted for informational purposes only. This document does not constitute a legal document. Language shown includes standard provisions of The Hartford's filed and approved insurance contract, not all available coverage options. The provisions included herein are not recommendations specific to any customer and are not intended to serve as advice for the coverage you may select.

Continuation Provision.

1) the date The Policy terminates;
2) the date The Policy no longer insures Your class;
3) the date the premium payment is due but not paid;
4) the last day of the period for which You make any required premium contribution;
5) the date Your Employer terminates Your employment; or
6) the date You cease to be a Full time Active Employee in an eligible class for any reason;

unless continued in accordance with any of the Continuation Provisions.

Continuation Provisions allow an Employer to extend coverage beyond the date when it would have terminated.

Continuation Provisions: *Can my coverage be continued beyond the date it would otherwise terminate?*
Coverage can be continued by Your Employer beyond a date shown in the Termination provision, if Your Employer provides a plan of continuation which applies to all employees the same way. Continued coverage:

Coverage under the Continuation Provisions requires payment of premium. If premium payment ceases or the Policy terminates, coverage ends.

1) is subject to any reductions in The Policy;
2) is subject to payment of premium by the Employer; and
3) terminates if:
   a) The Policy terminates; or
   b) coverage for Your class terminates.

In any event, Your benefit level, or the amount of earnings upon which Your benefits may be based, will be that in effect on the day before Your coverage was continued. Coverage may be continued in accordance with the above restrictions and as described below:

Continuation of coverage for FML.

Additional continuation options may be available to accommodate lay-off, leave of absence or other non-FML leaves.

Family and Medical Leave: If You are granted a leave of absence, in writing, according to the Family and Medical Leave Act of 1993, or other applicable state or local law, Your coverage may be continued for up to 12 weeks, or 26 weeks if You qualify for Family Military Leave, or longer if required by other applicable law, following the date Your leave commenced. If the leave terminates prior to the agreed upon date, this continuation will cease immediately.

Premium payment will be required until benefits become payable.

Coverage while Disabled: *Does my insurance continue while I am Disabled and no longer an Active Employee?*
If You are Disabled and You cease to be an Active Employee, Your insurance will be continued:

1) during the Elimination Period while You remain Disabled by the same Disability; and
2) after the Elimination Period for as long as You are entitled to benefits under The Policy.

LTD premium will be waived once the Elimination Period has been satisfied and the claimant is receiving benefits.

Waiver of Premium: *Am I required to pay premiums while I am Disabled?*
No premium will be due for You:

1) after the Elimination Period; and
2) for as long as benefits are payable.

Extension of Benefits for Disability: *Do my benefits continue if The Policy terminates?*
If You are entitled to benefits while Disabled and The Policy terminates, benefits:

1) will continue as long as You remain Disabled by the same Disability; but
2) will not be provided beyond the date We would have ceased to pay benefits had the insurance remained in force.

Termination of The Policy for any reason will have no effect on Our liability under this provision.

Copyright © 2015 by The Hartford. Classification: Internally Controlled. All rights reserved.
No part of this document may be used, reproduced, published or posted without the permission of The Hartford.
Note: This sample contract is not intended for public dissemination and was drafted for informational purposes only. This document does not constitute a legal document. Language shown includes standard provisions of The Hartford's filed and approved insurance contract, not all available coverage options. The provisions included herein are not recommendations specific to any customer and are not intended to serve as advice for the coverage you may select.

Optional benefit which allows the employee to convert coverage if their employment terminates for a reason other than retirement or Disability.

Conversion Right: *If my coverage under The Policy ends, do I have a right to conversion?*
If Your insurance terminates because:
1) Your employment ends for a reason other than Your retirement; or
2) You are no longer in an eligible class;

and if:
1) You have been continuously insured for at least 12 consecutive month(s) under The Policy or under both The Policy and the Prior Policy;
2) a Disability is not preventing You from performing duties of Your Occupation;
3) The Policy has not terminated; and
4) You are not eligible or covered for similar benefits under another group policy;

then You are eligible to enroll for personal insurance under another group policy called the group long term disability conversion policy.

How do I convert my Coverage?
To obtain coverage under the group long term disability conversion policy, You must:
1) send Us a written enrollment request; and
2) pay the required premium and enrollment fee for the conversion policy;

within 31 days of the termination of Your insurance.

If You meet the preceding conditions, We will issue You a certificate of insurance under the group long term disability conversion policy. Such coverage will:
1) be issued without Evidence of Insurability;
2) be on one of the forms then being issued by Us for conversion purposes; and
3) be effective on the day following the date Your insurance under The Policy terminates.

The coverage available under the conversion policy may differ from The Policy. We will determine the terms of the group long term disability conversion policy, including:
1) the type and amount of coverage provided; and
2) the premium payable;

based on the kinds of insurance provided by the group long term disability conversion policy at the time such enrollment request is made.

BENEFITS

Disability Benefit: *What are my Disability Benefits under The Policy?*
Benefits are paid monthly.

We will pay You a Monthly Benefit if You:
1) become Disabled while insured under The Policy;
2) are Disabled throughout the Elimination Period;
3) remain Disabled beyond the Elimination Period; and
4) submit Proof of Loss to Us.

Benefits accrue as of the first day after the Elimination Period and are paid monthly. However, benefits will not exceed the Maximum Duration of Benefits.

Options are available to apply a limitation just to Substance Abuse or to apply different limitation durations to either condition.

Mental Illness And Substance Abuse Benefits: *Are benefits limited for Mental Illness or Substance Abuse?*
If You are Disabled because of:
1) Mental Illness that results from any cause;
2) any condition that may result from Mental Illness;
3) alcoholism; or
4) the non-medical use of narcotics, sedatives, stimulants, hallucinogens, or any other such substance;

Copyright © 2016 by The Hartford. Classification: Internally Controlled. All rights reserved.
No part of this document may be used, reproduced, published or posted without the permission of The Hartford.

Note: This sample contract is not intended for public dissemination and was drafted for informational purposes only. This document does not constitute a legal document. Language shown includes standard provisions of The Hartford's filed and approved insurance contract, not all available coverage options. The provisions included herein are not recommendations specific to any customer and are not intended to serve as advice for the coverage you may select.

then, subject to all other provisions of The Policy, We will limit the Maximum Duration of Benefits.

Benefit limit does not apply while confined in a hospital or other licensed medical care facility.

Benefits will be payable:
1) for as long as you are confined in a hospital or other place licensed to provide medical care for the disabling condition; or
2) if not confined, or after you are discharged and still Disabled, for a total of 24 month(s) for all such disabilities during your lifetime.

Encourages employees to return to work during the Elimination Period without fear of jeopardizing benefits. Allows a period of recovery of up to ½ the Elimination Period without restarting the Elimination Period.

Recurrent Disability: *What happens if I Recover but become Disabled again?*
Periods of Recovery during the Elimination Period will not interrupt the Elimination Period, if the number of days You return to work as an Active Employee are less than one-half (1/2) the number of days of Your Elimination Period.

Any day within such period of Recovery, will not count toward the Elimination Period.

Applies to return to work attempts after the Elimination Period.

After the Elimination Period, if You return to work as an Active Employee and then become Disabled and such Disability is:
1) due to the same cause; or
2) due to a related cause; and
3) within 6 month(s) of the return to work,

the Period of Disability prior to Your return to work and the recurrent Disability will be considered one Period of Disability, provided The Policy remains in force.

If You return to work as an Active Employee for 6 month(s) or more, any recurrence of a Disability will be treated as a new Disability. The new Disability is subject to a new Elimination Period and a new Maximum Duration of Benefits.

Period of Disability means a continuous length of time during which You are Disabled under The Policy.

Recover or Recovery means that You are no longer Disabled and have returned to work with the Employer and premiums are being paid for You.

The Return to Work Incentive allows disabled employees to receive up to 100% of their pre-disability income for up to 12 months from when they first return to work.

Calculation of Monthly Benefit: Return to Work Incentive: *How are my Disability benefits calculated?*
If You remain Disabled after the Elimination Period, but work while You are Disabled, We will determine Your Monthly Benefit for a period of up to 12 consecutive months as follows:
1) multiply Your Pre-disability Earnings by the Benefit Percentage;
2) compare the result with the Maximum Benefit; and
3) from the lesser amount, deduct Other Income Benefits.

The result is Your Monthly Benefit. Current Monthly Earnings will not be used to reduce Your Monthly Benefit. However, if the sum of Your Monthly Benefit and Your Current Monthly Earnings exceeds 100% of Your Pre-disability Earnings, We will reduce Your Monthly Benefit by the amount of excess.

The 12 consecutive month period will start on the last to occur of:
1) the day You first start work; or
2) the end of the Elimination Period.

The Monthly Income Loss formula is used when not calculating benefits under the Return to Work Incentive formula.

If You are Disabled and not receiving benefits under the Return to Work Incentive, We will calculate Your Monthly Benefit as follows:
1) multiply Your Monthly Income Loss by the Benefit Percentage;
2) compare the result with the Maximum Benefit; and
3) from the lesser amount, deduct Other Income Benefits.

The result is Your Monthly Benefit.

Copyright © 2016 by The Hartford. Classification: Internally Controlled. All rights reserved.
No part of this document may be used, reproduced, published or posted without the permission of The Hartford.

Note: This sample contract is not intended for public dissemination and was drafted for informational purposes only. This document does not constitute a legal document. Language shown includes standard provisions of The Hartford's filed and approved insurance contract; not all available coverage options. The provisions included herein are not recommendations specific to any customer and are not intended to serve as advice for the coverage you may select.

Income from all sources cannot exceed 100% of pre-disability earnings.

Calculation of Monthly Benefit: *What happens if the sum of my Monthly Benefit, Current Monthly Earnings and Other Income Benefits exceeds 100% of my Pre-disability Earnings?*
If the sum of Your Monthly Benefit, Current Monthly Earnings and Other Income Benefits exceeds 100% of Your Pre-disability Earnings, We will reduce Your Monthly Benefit by the amount of the excess. However, Your Monthly Benefit will not be less than the Minimum Monthly Benefit.

If an overpayment occurs, We may recover all or any portion of the overpayment, in accordance with the Overpayment Recovery provision.

Minimum Monthly Benefit: *Is there a Minimum Monthly Benefit?*
Your Monthly Benefit will not be less than the Minimum Monthly Benefit shown in the Schedule of Insurance.

Partial Month Payment: *How is the benefit calculated for a period of less than a month?*
If a Monthly Benefit is payable for a period of less than a month, we will pay 1/30 of the Monthly Benefit for each day You were Disabled.

Termination of Payment: *When will my benefit payments end?*
Benefit payments will stop on the earliest of:

1) the date You are no longer Disabled;
2) the date You fail to furnish Proof of Loss;
3) the date You are no longer under the Regular Care of a Physician;
4) the date You refuse Our request that You submit to an examination by a Physician or other qualified medical professional;
5) the date of Your death;
6) the date You refuse to receive recommended treatment that is generally acknowledged by Physicians to cure, correct or limit the disabling condition
7) the last day benefits are payable according to the Maximum Duration of Benefits Table; or
8) the date Your Current Monthly Earnings:
   a) are equal to or greater than 80% of Your Indexed Pre-disability Earnings if You are receiving benefits for being Disabled from Your Occupation; or
   b) are greater than the lesser of the product of Your Indexed Pre-disability Earnings and the Benefit Percentage or the Maximum Monthly Benefit if You are receiving benefits for being Disabled from Any Occupation;
9) the date no further benefits are payable under any provision in The Policy that limits benefit duration;
10) the date You refuse to participate in a Rehabilitation program, or refuse to cooperate with or try:
    a) modifications made to the work site or job process to accommodate Your identified medical limitations to enable You to perform the Essential Duties of Your Occupation;
    b) adaptive equipment or devices designed to accommodate Your identified medical limitations to enable You to perform the Essential Duties of Your Occupation;
    c) modifications made to the work site or job process to accommodate Your identified medical limitations to enable You to perform the Essential Duties of Any Occupation, if You were receiving benefits for being disabled from Any Occupation; or
    d) adaptive equipment or devices designed to accommodate Your identified medical limitations to enable You to perform the Essential Duties of Any Occupation, if You were receiving benefits for being

These provisions are designed to encourage employees to participate in and cooperate with efforts that will assist them in returning to work.

Copyright © 2016 by The Hartford. Classification: Internally Controlled. All rights reserved.
No part of this document may be used, reproduced, published or posted without the permission of The Hartford.
Note: This sample contract is not intended for public dissemination and was drafted for informational purposes only. This document does not constitute a legal document. Language shown includes standard provisions of The Hartford's filed and approved insurance contract; not all available coverage options. The provisions included herein are not recommendations specific to any customer and are not intended to serve as advice for the coverage you may select.

disabled from Any Occupation;
provided a qualified Physician or other qualified medical professional agrees that such modifications, Rehabilitation program or adaptive equipment accommodate Your medical limitation; or

Normally, retirement benefits are treated as an offset. # 11 is optional and allows benefits to cease upon receipt of retirement benefits from the employer.

11) the date You receive retirement benefits from any employer's Retirement Plan, unless:
    a) You were receiving them prior to becoming Disabled; or
    b) You immediately transfer the payment to another plan qualified by the United States Internal Revenue Service for the funding of a future retirement.

This benefit can be used for any dependent family members, not just children, to help with expenses for their care while the disabled employee is in an approved rehabilitation program.

Family Care Credit Benefit: *What if I must incur expenses for Family Care Services in order to participate in a Rehabilitation program?*
If You are working as part of a program of Rehabilitation, We will, for the purpose of calculating Your benefit, deduct the cost of Family Care from earnings received from work as a part of a program of Rehabilitation, subject to the following limitations:

1) Family Care means the care or supervision of:
    a) Your children under age 13; or
    b) a member of Your household who is mentally or physically handicapped and dependent upon You for support and maintenance;
2) the maximum monthly deduction allowed for each qualifying child or family member is:
    a) $350 during the first 12 months of Rehabilitation; and
    b) $175 thereafter;
    but in no event may the deduction exceed the amount of Your monthly earnings;
3) Family Care Credits may not exceed a total of $2,500 during a calendar year;
4) the deduction will be reduced proportionally for periods of less than a month;
5) the charges for Family Care must be documented by a receipt from the caregiver;
6) the credit will cease on the first to occur of the following:
    a) You are no longer in a Rehabilitation program; or
    b) Family Care Credits for 24 months have been deducted during Your Disability; and
7) no Family Care provided by someone Related to the family member receiving the care will be eligible as a deduction under this provision.

Your Current Monthly Earnings after the deduction of Your Family Care Credit will be used to determine Your Monthly Income Loss. In no event will You be eligible to receive a Monthly Benefit under The Policy if Your Current Monthly Earnings before the deduction of the Family Care Credit exceed 80% of Your Indexed Pre-disability Earnings.

This optional benefit is paid to the insured person's dependents to help financially ease the transition period if the insured dies.

Survivor Income Benefit: *Will my survivors receive a benefit if I die while receiving Disability Benefits?*
If You were receiving a Monthly Benefit at the time of Your death, We will pay a Survivor Income Benefit, when We receive proof satisfactory to Us:

1) of Your death; and
2) that the person claiming the benefit is entitled to it.

We must receive the satisfactory proof for Survivor Income Benefits within 1 year of the date of Your death.

The Survivor Income Benefit will only be paid:

1) to Your Surviving Spouse; or

Copyright © 2016 by The Hartford. Classification: Internally Controlled. All rights reserved.
No part of this document may be used, reproduced, published or posted without the permission of The Hartford.
Note: This sample contract is not intended for public dissemination and was drafted for informational purposes only. This document does not constitute a legal document. Language shown includes standard provisions of The Hartford's filed and approved insurance contract, not all available coverage options. The provisions included herein are not recommendations specific to any customer and are not intended to serve as advice for the coverage you may select.

2) if no Surviving Spouse, in equal shares to Your Surviving Children

If there is no Surviving Spouse or Surviving Children, then no benefit will be paid.

However, We will first apply the Survivor Income Benefit to any overpayment which may exist on Your claim.

If a minor child is entitled to benefits, We may, at Our option, make benefit payments to the person caring for and supporting the child until a legal guardian is appointed.

The Survivor Income Benefit is calculated as 3 times the lesser of:

1) Your Monthly Income Loss multiplied by the Benefit Percentage in effect on the date of Your death; or
2) The Maximum Monthly Benefit.

Domestic Partner language may be included. ►

Surviving Spouse means Your spouse who was not legally separated or divorced from You when You died.

"Spouse" will include Your domestic partner provided You:

1) have executed a domestic partner affidavit satisfactory to Us, establishing that You and Your partner are domestic partners for purposes of The Policy; or
2) have registered as domestic partners with a government agency or office where such registration is available and provide proof of such registration unless requiring proof is prohibited by law.

You will continue to be considered domestic partners provided You continue to meet the requirements described in the domestic partner affidavit or required by law.

Surviving Children means Your unmarried children, step children, legally adopted children who, on the date You die, are primarily dependent on You for support and maintenance and who are under age 19.

The term Surviving Children will also include any other children related to You by blood or marriage or domestic partnership and who:

1) lived with You in a regular parent-child relationship; and
2) were eligible to be claimed as dependents on Your federal income tax return for the last tax year prior to Your death.

This benefit assists employers with expenses for worksite adaptations that can help a disabled employee return to work. ►

Workplace Modification Benefit: *Will the Rehabilitation program provide for modifications to my workplace to accommodate my return to work?*

We will reimburse Your Employer for the expense of reasonable Workplace Modifications to accommodate Your Disability and enable You to return to work as an Active Employee. You qualify for this benefit if:

1) Your Disability is covered by The Policy;
2) the Employer agrees to make modifications to the workplace in order to reasonably accommodate Your return to work and the performance of the Essential Duties of Your job; and
3) We approve, in writing, any proposed Workplace Modifications.

Benefits paid for such workplace modification shall not exceed $25,000.

We have the right, at Our expense, to have You examined or evaluated by:

1) a Physician or other health care professional; or
2) a vocational expert or rehabilitation specialist,

of Our choice so that We may evaluate the appropriateness of any proposed modification.

We will reimburse the Employer's costs for approved Workplace Modifications after:

Copyright © 2016 by The Hartford. Classification: Internally Controlled. All rights reserved.
No part of this document may be used, reproduced, published or posted without the permission of The Hartford.
Note: This sample contract is not intended for public dissemination and was drafted for informational purposes only. This document does not constitute a legal document. Language shown includes standard provisions of The Hartford's filed and approved insurance contract, not all available coverage options. The provisions included herein are not recommendations specific to any customer and are not intended to serve as advice for the coverage you may select.

1) the proposed modifications made on Your behalf are complete;
2) We have been provided written proof of the expenses incurred to provide such modification; and
3) You have returned to work as an Active Employee.

Workplace Modification means change in Your work environment, or in the way a job is performed, to allow You to perform, while Disabled, the Essential Duties of Your job. Payment of this benefit will not reduce or deny any benefit You are eligible to receive under the terms of The Policy.

EXCLUSIONS AND LIMITATIONS

Exclusions: *What Disabilities are not covered?*
The Policy does not cover, and We will not pay a benefit for any Disability:
1) unless You are under the Regular Care of a Physician;
2) that is caused or contributed to by war or act of war, whether declared or not;
3) caused by Your commission of or attempt to commit a felony;
4) caused or contributed to by Your being engaged in an illegal occupation; or
5) caused or contributed to by an intentionally self-inflicted injury.

If You are receiving or are eligible for benefits for a Disability under a prior disability plan that:
1) was sponsored by Your Employer; and
2) was terminated before the Effective Date of The Policy;
no benefits will be payable for the Disability under The Policy.

Pre-existing Condition Limitation: *Are benefits limited for Pre-existing Conditions?*
We will not pay any benefit, or any increase in benefits, under The Policy for any Disability that results from, or is caused or contributed to by, a Pre-existing Condition, unless, at the time You become Disabled:

The 'Treatment Free' period means a disabled employee will not be excluded for benefits if they do not receive treatment during this period. ►

1) You have not received Medical Care for the condition for 90 consecutive day(s) while insured under The Policy; or
2) You have been continuously insured under The Policy for 365 consecutive day(s).

Pre-existing Conditions means:
1) any accidental bodily injury, sickness, Mental Illness, pregnancy, or episode of Substance Abuse; or
2) any manifestations, symptoms, findings, or aggravations relating to or resulting from such accidental bodily injury, sickness Mental Illness, pregnancy, or Substance Abuse;
for which You received Medical Care during the 90 day(s) period that ends the day before:
1) Your effective date of coverage; or
2) The effective date of a Change in Coverage.

Medical Care is received when a physician or other health care provider:
1) is consulted or gives medical advice; or
2) recommends, prescribes or provides Treatment.

Treatment includes, but is not limited to:
1) medical examinations, tests, attendance, or observation; and
2) use of drugs, medicines, medical services, supplies or equipment.

Copyright © 2016 by The Hartford. Classification: Internally Controlled. All rights reserved.
No part of this document may be used, reproduced, published or posted without the permission of The Hartford.

Note: This sample contract is not intended for public dissemination and was drafted for informational purposes only. This document does not constitute a legal document. Language shown includes standard provisions of The Hartford's filed and approved insurance contract, not all available coverage options. The provisions included herein are not recommendations specific to any customer and are not intended to serve as advice for the coverage you may select.

General information about the claim process and how benefits are proven, paid, denied and/or appealed.

GENERAL PROVISIONS

Notice of Claim: *When should I notify the Company of a claim?*
You must give Us written, electronic or telephonic notice of a claim within 30 days after Disability or loss occurs. Failure to give notice within such time shall not invalidate or reduce any claim if it shall be shown not to have been reasonably possible to give such notice and that notice was given as soon as was reasonably possible. Such notice must include Your name, Your address and the Policy Number.

If You are Disabled and become eligible for the Ability Plus Benefit, You must file a separate Notice of Claim within 30 days of becoming eligible.

Claim Forms: *Are special forms required to file a claim?*
We will send forms to You to provide Proof of Loss, within 15 days of receiving a Notice of Claim. If We do not send the forms within 15 days, You may submit any other written, electronic or telephonic proof which fully describes the nature and extent of Your claim.

Proof of Loss is typically provided by telephone, however, if forms are required, they will be sent to You for providing Proof of Loss within 15 days after We receive a notice of claim.

Proof of Loss: *What is Proof of Loss?*
Proof of Loss may include but is not limited to the following:

1) documentation of:
   a) the date Your Disability began;
   b) the cause of Your Disability;
   c) the prognosis of Your Disability;
   d) Your Pre-disability Earnings, Current Monthly Earnings or any income, including but not limited to copies of Your filed and signed federal and state tax returns; and
   e) evidence that You are under the Regular Care of a Physician;
2) any and all medical information, including x-ray films and photocopies of medical records, including histories, physical, mental or diagnostic examinations and treatment notes;
3) the names and addresses of all:
   a) Physicians or other qualified medical professionals You have consulted;
   b) hospitals or other medical facilities in which You have been treated; and
   c) pharmacies which have filled Your prescriptions within the past three years;
4) Your signed authorization for Us to obtain and release:
   a) medical, employment and financial information; and
   b) any other information We may reasonably require;
5) disclosure of all information and documentation required by Us relating to Other Income Benefits;
6) proof that You and Your dependents have applied for all Other Income Benefits which are available; and
7) disclosure of all information and documentation required by Us in order to exercise Our Subrogation or Reimbursement rights.

Employees are not required to take early retirement benefits. If they do, we will offset or terminate benefits, depending on the option purchased.

You will not be required to claim any retirement benefits which You may only get on a reduced basis. All proof submitted must be satisfactory to Us.

Copyright © 2016 by The Hartford. Classification: Internally Controlled. All rights reserved.
No part of this document may be used, reproduced, published or posted without the permission of The Hartford.

Note: This sample contract is not intended for public dissemination and was drafted for informational purposes only. This document does not constitute a legal document. Language shown includes standard provisions of The Hartford's filed and approved insurance contract, not all available coverage options. The provisions included herein are not recommendations specific to any customer and are not intended to serve as advice for the coverage you may select.

Additional Proof of Loss: *What Additional Proof of Loss is the Company entitled to?*
To assist Us in determining if You are Disabled, or to determine if You meet any other term or condition of The Policy, We have the right to require You to:

1) meet and interview with Our representative; and
2) be examined by a Physician, vocational expert, functional expert, or other medical or vocational professional of Our choice.

Any such interview, meeting or examination will be:

1) at Our expense; and
2) as reasonably required by Us.

Your Additional Proof of Loss must be satisfactory to Us. Unless We determine You have a valid reason for refusal, We may deny, suspend or terminate Your benefits if You refuse to be examined or meet to be interviewed by Our representative.

Sending Proof of Loss: *When must Proof of Loss be given?*
Written Proof of Loss must be sent to Us within 90 days following the completion of the Elimination Period. If proof is not given by the time it is due, it will not affect the claim if:

1) it was not reasonably possible to give proof within the required time; and
2) proof is given as soon as reasonably possible; but
3) not later than 1 year after it is due, unless You are not legally competent.

We may request Proof of Loss throughout Your Disability, as reasonably required. In such cases, We must receive the proof within 30 day(s) of the request.

Claim Payment: *When are benefit payments issued?*
When We determine that You:

1) are Disabled; and
2) eligible to receive benefits;

We will pay accrued benefits at the end of each month that You are Disabled. We may, at Our option, make an advance benefit payment based on Our estimated duration of Your Disability. If any payment is due after a claim is terminated, it will be paid as soon as Proof of Loss satisfactory to Us is received.

Benefits may be subject to interest payments as required by applicable law.

Benefits are paid directly to the disabled employee. ►

Claims to be Paid: *To whom will benefits for my claim be paid?*
All payments are payable to You. Any payments owed at Your death may be paid to Your estate. If any payment is owed to:

1) Your estate;
2) a person who is a minor; or
3) a person who is not legally competent;

then We may pay up to $1,000 to a person who is Related to You and who, at Our sole discretion, is entitled to it. Any such payment shall fulfill Our responsibility for the amount paid.

Claim Denial: *What notification will I receive if my claim is denied?*
If a claim for benefits is wholly or partly denied, You will be furnished with written notification of the decision. This written notification will:

1) give the specific reason(s) for the denial;
2) make specific reference to The Policy provisions on which the denial is based;
3) provide a description of any additional information necessary to perfect a claim and an explanation of why it is necessary; and
4) provide an explanation of the review procedure.

Copyright © 2016 by The Hartford. Classification: Internally Controlled. All rights reserved.
No part of this document may be used, reproduced, published or posted without the permission of The Hartford.
Note: This sample contract is not intended for public dissemination and was drafted for informational purposes only. This document does not constitute a legal document. Language shown includes standard provisions of The Hartford's filed and approved insurance contract, not all available coverage options. The provisions included herein are not recommendations specific to any customer and are not intended to serve as advice for the coverage you may select.

Claim Appeal: *What recourse do I have if my claim is denied?*
On any claim, You or Your representative may appeal to Us for a full and fair review. To do so You:

1) must request a review upon written application within:
   a) 180 days of receipt of claim denial if the claim requires Us to make a determination of disability; or
   b) 60 days of receipt of claim denial if the claim does not require Us to make a determination of disability; and
2) may request copies of all documents, records, and other information relevant to Your claim; and
3) may submit written comments, documents, records and other information relating to Your claim.

We will respond to You in writing with Our final decision on the claim.

Social Security: *When must I apply for Social Security Benefits?*
You must apply for Social Security disability benefits when the length of Your Disability meets the minimum duration required to apply for such benefits. You must apply within 45 days from the date of Our request. If the Social Security Administration denies Your eligibility for benefits, You will be required:

1) to follow the process established by the Social Security Administration to reconsider the denial; and
2) if denied again, to request a hearing before an Administrative Law Judge of the Office of Hearing and Appeals.

We do not estimate Social Security Benefit offsets if the disabled employee fully cooperates with the Social Security application and appeals process and signs both the release of information form and a reimbursement agreement.

Benefit Estimates: *How does the Company estimate Disability benefits under the United States Social Security Act?*
We reserve the right to reduce Your Monthly Benefit by estimating the Social Security disability benefits You or Your spouse and children may be eligible to receive.

When We determine that You or Your dependent may be eligible for benefits, We may estimate the amount of these benefits. We may reduce Your Monthly Benefit by the estimated amount.
Your Monthly Benefit will not be reduced by estimated Social Security disability benefits if:

1) You apply for Social Security disability benefits and pursue all required appeals in accordance with the Social Security provision; and
2) You have signed a form authorizing the Social Security Administration to release information about awards directly to Us; and
3) You have signed and returned Our reimbursement agreement, which confirms that You agree to repay all overpayments.

If We have reduced Your Monthly Benefit by an estimated amount and:

1) You or Your dependent are later awarded Social Security disability benefits, We will adjust Your Monthly Benefit when We receive proof of the amount awarded, and determine if it was higher or lower than Our estimate, or
2) Your application for Social Security disability benefits has been denied, We will adjust Your Monthly Benefit when You provide Us proof of final denial from which You cannot appeal from an Administrative Law Judge of the Office of Hearing and Appeals.

If Your Social Security benefits were lower than We estimated, and We owe You a refund, We will make such refund in a lump sum. If Your Social Security benefits were higher than We estimated, and if Your Monthly Benefit has been overpaid, You must make a lump sum refund to Us equal to all overpayments, in accordance with

Copyright © 2016 by The Hartford. Classification: Internally Controlled. All rights reserved.
No part of this document may be used, reproduced, published or posted without the permission of The Hartford.
Note: This sample contract is not intended for public dissemination and was drafted for informational purposes only. This document does not constitute a legal document. Language shown includes standard provisions of The Hartford's filed and approved insurance contract, not all available coverage options. The provisions included herein are not recommendations specific to any customer and are not intended to serve as advice for the coverage you may select.

the Overpayment Recovery provision.

Overpayment: *When does an overpayment occur?*

1) when We determine that the total amount We have paid in benefits is more than the amount that was due to You under The Policy; or
2) when payment is made by Us that should have been made under another group policy.

This includes, but is not limited to, overpayments resulting from:

1) retroactive awards received from sources listed in the Other Income Benefits definition;
2) failure to report, or late notification to Us of any Other Income Benefit(s) or earned income;
3) misstatement;
4) fraud; or
5) any error We may make.

Overpayment Recovery: *How does the Company exercise the right to recover overpayments?*

We have the right to recover from You any amount that We determine to be an overpayment. You have the obligation to refund to Us any such amount. Our rights and Your obligations in this regard may also be set forth in the reimbursement agreement You will be required to sign when You become eligible for benefits under The Policy.

If benefits are overpaid on any claim, You must reimburse Us within 30 days.

If reimbursement is not made in a timely manner, We have the right to:

1) recover such overpayments from:
   a) You;
   b) any other organization;
   c) any other insurance company;
   d) any other person to or for whom payment was made; and
   e) Your estate;
2) reduce or offset against any future benefits payable to You or Your survivors, including the Minimum Monthly Benefit, until full reimbursement is made. Payments may continue when the overpayment has been recovered;
3) refer Your unpaid balance to a collection agency; and
4) pursue and enforce all legal and equitable rights in court.

Subrogation allows The Hartford to bring a legal action against a Third Party to recover benefits it has paid to a claimant. Not all states permit subrogation.

Subrogation: *What are Our subrogation rights?*

If You:

1) suffer a Disability caused, in full or in part, by the act or omission of any person or legal entity;
2) become entitled to and are paid benefits under The Policy in compensation for lost wages; and
3) do not initiate legal action for the recovery of such benefits from a Third Party in a reasonable period of time or notify Us that You do not intend to do so;

then We will be subrogated to any rights You may have against a Third Party and may, at Our option, bring legal action against or otherwise pursue a Third Party to recover any payments made by Us in connection with the Disability.

Third Party as used in this provision means:

1) any person or legal entity whose act or omission, in full or in part, causes You to suffer a Disability for which benefits are paid or payable under The

Copyright © 2016 by The Hartford. Classification: Internally Controlled. All rights reserved.
No part of this document may be used, reproduced, published or posted without the permission of The Hartford.
Note: This sample contract is not intended for public dissemination and was drafted for informational purposes only. This document does not constitute a legal document. Language shown includes standard provisions of The Hartford's filed and approved insurance contract, not all available coverage options. The provisions included herein are not recommendations specific to any customer and are not intended to serve as advice for the coverage you may select.

Policy; or
2) any insurer, including Your own, that provides benefits to You as a result of the act or omission which causes You to suffer a Disability for which benefi are paid or payable under The Policy

We have the right to be reimbursed in certain situations. Reimbursement is not the same as Subrogation.

Reimbursement: *What are Our reimbursement rights?*
We have the right to be reimbursed for any benefit payments made or required to be made under The Policy for a Disability for which You recover any funds from a Third Party.

If You recover any funds from a Third Party as:
1) a legal judgment;
2) an arbitration award; or
3) a settlement or otherwise.

You or Your attorney shall hold in constructive trust the lesser of:
1) the entire amount of the benefit payment(s) made or required to be made by Us; or
2) the total amount of the recovered funds;

less Our pro rata share of any reasonable attorneys' fees and court costs associated with the recovered funds. We have the right of first reimbursement regardless of:
1) whether You are made whole;
2) how the recovered funds are characterized; or
3) whether the particular funds recovered are still in Your possession.

By accepting benefit payment(s) under The Policy, You:
1) agree to cooperate fully with Our reimbursement rights, including disclosure of all information and documentation required by Us in order to exercise Our reimbursement rights; and
2) will not do anything to prejudice Our reimbursement rights.

You or Your attorney's failure to cooperate fully with Our reimbursement rights may result in denial or termination of Your benefits under The Policy.

Third Party as used in this provision, means:
1) any person or legal entity whose act or omission, in full or in part, causes You to suffer a Disability for which benefits are paid or payable under The Policy; or
2) any insurer, including Your own, that provides benefits to You as a result of the act or omission which causes You to suffer a Disability for which benefits are paid or payable under The Policy.

Legal Actions: *When can legal action be taken against Us?*
Legal action cannot be taken against Us:
1) sooner than 60 days after the date Proof of Loss is given; or
2) more than 3 years after the date Proof of Loss is required to be given according to the terms of The Policy.

Insurance Fraud: *How does the Company deal with fraud?*
Insurance Fraud occurs when You and/or Your Employer provide Us with false information or file a claim for benefits that contains any false, incomplete or misleading information with the intent to injure, defraud or deceive Us. It is a crime if You and/or Your Employer commit Insurance Fraud. We will use all means available to Us to detect, investigate, deter and prosecute those who commit Insurance Fraud. We will pursue all available legal remedies if You and/or Your Employer perpetrate Insurance Fraud.

Copyright © 2016 by The Hartford. Classification: Internally Controlled. All rights reserved.
No part of this document may be used, reproduced, published or posted without the permission of The Hartford.
Note: This sample contract is not intended for public dissemination and was drafted for informational purposes only. This document does not constitute a legal document. Language shown includes standard provisions of The Hartford's filed and approved insurance contract, not all available coverage options. The provisions included herein are not recommendations specific to any customer and are not intended to serve as advice for the coverage you may select.

Misstatements: *What happens if facts are misstated?*
If material facts about You were not stated accurately:

1) Your premium may be adjusted; and
2) the true facts will be used to determine if, and for what amount, coverage should have been in force

No statement, except fraudulent misstatements, made by You relating to Your insurability will be used to contest the insurance for which the statement was made after the insurance has been in force for two years during Your lifetime. In order to be used, the statement must be in writing and signed by You.

All statements made by the Policyholder, the Employer or You under The Policy will be deemed representations and not warranties. No statement made to affect this insurance will be used in any contest unless it is in writing and a copy of it is given to the person who made it, or to his or her beneficiary or Your representative.

Policy Interpretation: *Who interprets the terms and conditions of The Policy?*
We have full discretion and authority to determine eligibility for benefits and to construe and interpret all terms and provisions of The Policy. This provision applies where the interpretation of The Policy is governed by the Employee Retirement Income Security Act of 1974, as amended (ERISA).

DEFINITIONS

Actively at Work means at work with the Employer on a day that is one of the Employer's scheduled workdays. On that day, You must be performing for wage or profit all of the regular duties of Your Occupation:

1) in the usual way; and
2) for Your usual number of hours.

We will consider You Actively at Work on a day that is not a scheduled work day only if You were Actively at Work on the preceding scheduled work day.

Active Employee means an employee who works for the Employer on a regular basis in the usual course of the Employer's business. This must be at least the number of hours shown in the Schedule of Insurance.

Any Occupation means any occupation for which You are qualified by education, training or experience, and that has an earnings potential greater than the lesser of

1) the product of Your Indexed Pre-disability Earnings and the Benefit Percentage, or
2) the Maximum Monthly Benefit.

Current Monthly Earnings include earnings from any employment. However, we will only consider earnings from other employment in excess of what the disabled employee was receiving prior to date of Disability.

Current Monthly Earnings means monthly earnings You receive from:

1) Your Employer; and
2) other employment;

while You are Disabled.

However, if the other employment is a job You held in addition to Your job with Your Employer, then during any period that You are entitled to benefits for being Disabled from Your Occupation, only the portion of Your earnings that exceeds Your average earnings from the other employer over the 6 month period just before You became Disabled will count as Current Monthly Earnings.

Copyright © 2016 by The Hartford. Classification: Internally Controlled. All rights reserved.
No part of this document may be used, reproduced, published or posted without the permission of The Hartford.
Note: This sample contract is not intended for public dissemination and was drafted for informational purposes only. This document does not constitute a legal document. Language shown includes standard provisions of The Hartford's filed and approved insurance contract, not all available coverage options. The provisions included herein are not recommendations specific to any customer and are not intended to serve as advice for the coverage you may select.

To encourage the return to work, the amount of potential income from a job offered by the employer (or another employer) will be considered as earnings, even if the offer is refused.

Current Monthly Earnings also includes the pay You could have received for another job or a modified job if:

1) such job was offered to You by Your Employer, or another employer, and You refused the offer; and
2) the requirements of the position were consistent with:
   a) Your education, training and experience; and
   b) Your capabilities as medically substantiated by Your Physician.

The disability definition enables employees to satisfy the Elimination Period with a loss of duties only.

Disability or Disabled means You are prevented from performing one or more of the Essential Duties of:

1) Your Occupation during the Elimination Period; and
2) Your Occupation, for the 24 months following the Elimination Period, and as a result Your Current Monthly Earnings are less than 80% of Your Indexed Pre-disability Earnings; and
3) after that, Any Occupation.

The Elimination Period will be extended up to a year from the date of disability if the disabled employee has not met the earnings loss. This encourages the employee to work as long as possible while still protecting his / her eligibility for benefits.

If at the end of the Elimination Period, You are prevented from performing one or more of the Essential Duties of Your Occupation, but Your Current Monthly Earnings are equal to or greater than 80% of Your Pre-disability Earnings, Your Elimination Period will be extended for a total period of 12 months from the original date of Disability, or until such time as Your Current Monthly Earnings are less than 80% of Your Pre-disability Earnings, whichever occurs first.

Your Disability must result from:

1) accidental bodily injury;
2) sickness;
3) Mental Illness;
4) Substance Abuse; or
5) pregnancy.

Your failure to pass a physical examination required to maintain a license to perform the duties of Your occupation, alone, does not mean that You are Disabled.

Improves integration with STD benefits.

Elimination Period means the longer of the number of consecutive days at the beginning of any one period of Disability which must elapse before benefits are payable or the expiration of any Employer sponsored short term Disability benefits or salary continuation program, excluding benefits required by state law.

Employer means the Policyholder.

Essential Duty means a duty that:

1) is substantial, not incidental;
2) is fundamental or inherent to the occupation; and
3) cannot be reasonably omitted or changed.

Your ability to work the number of hours in Your regularly scheduled workweek is an Essential Duty.

Indexing adjusts pre-disability earnings for inflation.

Indexed Pre-disability Earnings means Your Pre-disability Earnings adjusted annually by adding the lesser of:

1) 10%; or
2) the percentage change in the Consumer Price Index (CPI-W).

The percentage change in the CPI-W means the difference between the current year's CPI-W as of July 31, and the prior year's CPI-W as of July 31, divided by the prior year's CPI-W. The adjustment is made January 1st each year after You have been Disabled for 12 consecutive month(s), provided You are receiving benefits at

Copyright © 2016 by The Hartford. Classification: Internally Controlled. All rights reserved.
No part of this document may be used, reproduced, published or posted without the permission of The Hartford.

Note: This sample contract is not intended for public dissemination and was drafted for informational purposes only. This document does not constitute a legal document. Language shown includes standard provisions of The Hartford's filed and approved insurance contract, not all available coverage options. The provisions included herein are not recommendations specific to any customer and are not intended to serve as advice for the coverage you may select.

the time the adjustment is made.

The term Consumer Price Index (CPI-W) means the index for Urban Wage Earners and Clerical Workers published by the United States Department of Labor. It measures on a periodic (usually monthly) basis the change in the cost of typical urban wage earners' and clerical workers' purchase of certain goods and services. If the index is discontinued or changed, We may use another nationally published index that is comparable to the CPI-W.

Mental Illness means a mental disorder as listed in the current version of the Diagnostic and Statistical Manual of Mental Disorders, published by the American Psychiatric Association. A Mental Illness may be caused by biological factors or result in physical symptoms or manifestations.

For the purpose of The Policy, Mental Illness does not include the following mental disorders outlined in the Diagnostic and Statistical Manual of Mental Disorders:

1) Mental Retardation;
2) Pervasive Developmental Disorders;
3) Motor Skills Disorder;
4) Substance-Related Disorders;
5) Delirium, Dementia, and Amnesic and Other Cognitive Disorders; or
6) Narcolepsy and Sleep Disorders related to a General Medical Condition.

Monthly Benefit means a monthly sum payable to You while You are Disabled, subject to the terms of The Policy.

Monthly Income Loss means Your Pre-disability Earnings minus Your Current Monthly Earnings.

Other Income Benefits are offsets deducted from the benefit. State regulations may cause this list to vary.

Other Income Benefits means the amount of any benefit for loss of income, provided to You or Your family, as a result of the period of Disability for which You are claiming benefits under The Policy. This includes any such benefits for which You or Your family are eligible or that are paid to You or Your family, or to a third party on Your behalf, pursuant to any:

1) temporary, permanent disability, or impairment benefits under a Workers' Compensation Law, the Jones Act, occupational disease law, similar law or substitutes or exchanges for such benefits;
2) governmental law or program that provides disability or unemployment benefits as a result of Your job with Your Employer;
3) plan or arrangement of coverage, whether insured or not, which is received from Your Employer as a result of employment by or association with Your Employer or which is the result of membership in or association with any group, association, union or other organization;
4) mandatory "no fault" automobile insurance plan;
5) disability benefits under:
   a) the United States Social Security Act or alternative plan offered by a state or municipal government;
   b) the Railroad Retirement Act;
   c) the Canada Pension Plan, the Canada Old Age Security Act, the Quebec Pension Plan or any provincial pension or disability plan; or
   d) similar plan or act,

   that You, Your spouse and/or children, are eligible to receive because of Your Disability; or
6) *disability benefit from the Department of Veterans Affairs, or any other foreign or domestic governmental agency
   a) that begins after You become Disabled; or

Copyright © 2016 by The Hartford. Classification: Internally Controlled. All rights reserved.
No part of this document may be used, reproduced, published or posted without the permission of The Hartford.
Note: This sample contract is not intended for public dissemination and was drafted for informational purposes only. This document does not constitute a legal document. Language shown includes standard provisions of The Hartford's filed and approved insurance contract; not all available coverage options. The provisions included herein are not recommendations specific to any customer and are not intended to serve as advice for the coverage you may select.

b) that You were receiving before becoming Disabled, but only as to the amount of any increase in the benefit attributed to Your Disability.

Other Income Benefits also means the amount of any payments that are made to You or to Your family, or to a third party on Your behalf, pursuant to any:

1) disability benefit under Your Employer's Retirement Plan;
2) temporary, permanent disability or impairment benefits under a Workers' Compensation Law, the Jones Act, occupational disease law, similar law or substitutes or exchanges for such benefits;
3) portion of a judgment or settlement of a claim or lawsuit that represents or compensates for Your loss of earnings, less Our pro rata share of any associated reasonable attorneys' fees and court costs; or
4) retirement benefit from a Retirement Plan that is wholly or partially funded by employer contributions, unless:
   a) You were receiving it prior to becoming Disabled; or
   b) You immediately transfer the payment to another plan qualified by the United States Internal Revenue Service for the funding of a future retirement;

   (Other Income Benefits will not include the portion, if any, of such retirement benefit that was funded by Your after-tax contributions.); or
5) retirement benefits under:
   a) the United States Social Security Act or alternative plan offered by a state or municipal government;
   b) the Railroad Retirement Act;
   c) the Canada Pension Plan, the Canada Old Age Security Act, the Quebec Pension Plan or any provincial pension or disability plan; or
   d) similar plan or act;

   that You, Your spouse and/or children receive because of Your retirement, unless You were receiving them prior to becoming Disabled.

Lump-sum offsets. ►

If You are paid Other Income Benefits in a lump sum or settlement, You must provide proof satisfactory to Us of:

1) the amount attributed to loss of income; and
2) the period of time covered by the lump sum or settlement.

We will pro-rate the lump sum or settlement over this period of time. If You cannot or do not provide this information, We will assume the entire sum to be for loss of income, and the time period to be 24 month(s). We may make a retroactive allocation of any retroactive Other Income Benefit. A retroactive allocation may result in an overpayment of Your claim.

The amount of any increase in Other Income Benefits will not be included as Other Income Benefits if such increase:

1) takes effect after the date benefits become payable under The Policy; and
2) is a general increase which applies to all persons who are entitled to such benefits.

Physician means a person who is:

1) a doctor of medicine, osteopathy, psychology or other legally qualified practitioner of a healing art that We recognize or are required by law to recognize;
2) licensed to practice in the jurisdiction where care is being given;
3) practicing within the scope of that license; and
4) not You or Related to You by blood or marriage.

Standard definition excludes Bonuses. ►

Pre-disability Earnings means Your regular monthly rate of pay, not counting

Copyright © 2016 by The Hartford. Classification: Internally Controlled. All rights reserved.
No part of this document may be used, reproduced, published or posted without the permission of The Hartford.
Note: This sample contract is not intended for public dissemination and was drafted for informational purposes only. This document does not constitute a legal document. Language shown includes standard provisions of The Hartford's filed and approved insurance contract, not all available coverage options. The provisions included herein are not recommendations specific to any customer and are not intended to serve as advice for the coverage you may select.

Commissions, overtime pay or any other extra compensation.

Additional options, including an option based on W2 earnings, are available.

Bonuses, Commissions, overtime pay or any other fringe benefits or extra compensation in effect on the last day You were Actively at Work before You became Disabled.

However, if You are an hourly paid Employee, Pre-Disability Earnings means the product of:

1) the average number of hours You worked per month, not including overtime, over the most recent 12 month period immediately prior to the last day You were Actively at Work before You became Disabled, multiplied by;
2) Your hourly wage in effect on the last day You were Actively at Work before You became Disabled.

This paragraph will included when the Infectious and Contagious Disease Benefit is included in the plan.

However, for the purposes of the Infectious and Contagious Disease Benefit, Pre-disability Earnings means the earnings described above as of the last day You were Actively at Work immediately prior to disclosure.

Prior Policy means the long term disability insurance carried by the Employer on the day before the Policy Effective Date.

Regular Care of a Physician means that You are being treated by a Physician:

1) whose medical training and clinical experience are suitable to treat Your disabling condition; and
2) whose treatment is:
   a) consistent with the diagnosis of the disabling condition;
   b) according to guidelines established by medical, research, and rehabilitative organizations; and
   c) administered as often as needed;

   to achieve the maximum medical improvement.

Our Vocational Rehabilitation Program offers comprehensive clinical, vocational and job placement services, as well as work-related news, research and continuing education.

Rehabilitation means a process of Our working together with You in order for Us to plan, adapt, and put into use options and services to meet Your return to work needs. A Rehabilitation program may include, when We consider it to be appropriate, any necessary and feasible:

1) vocational testing;
2) vocational training;
3) alternative treatment plans such as:
   a) support groups;
   b) physical therapy;
   c) occupational therapy; or
   d) speech therapy;
4) work-place modification to the extent not otherwise provided;
5) job placement;
6) transitional work; and
7) similar services.

Related means Your spouse, or someone in a similar relationship in law to You, or other adult living with You, or Your sibling, parent, step-parent, grandparent, aunt, uncle, niece, nephew, son, daughter, or grandchild.

Retirement Plan means a defined benefit or defined contribution plan that provides benefits for Your retirement and which is not funded wholly by Your contributions. It does not include:

1) a profit sharing plan;
2) thrift, savings or stock ownership plans;
3) a non-qualified deferred compensation plan; or
4) an individual retirement account (IRA), a tax sheltered annuity (TSA), Keogh

Copyright © 2016 by The Hartford. Classification: Internally Controlled. All rights reserved.
No part of this document may be used, reproduced, published or posted without the permission of The Hartford.

Note: This sample contract is not intended for public dissemination and was drafted for informational purposes only. This document does not constitute a legal document. Language shown includes standard provisions of The Hartford's filed and approved insurance contract, not all available coverage options. The provisions included herein are not recommendations specific to any customer and are not intended to serve as advice for the coverage you may select.

Plan, 401(k) plan, 403(b) plan or 457 deferred compensation arrangement.

Substance Abuse means the pattern of pathological use of alcohol or other psychoactive drugs and substances characterized by:

1) impairments in social and/or occupational functioning;
2) debilitating physical condition;
3) inability to abstain from or reduce consumption of the substance; or
4) the need for daily substance use to maintain adequate functioning.

Substance includes alcohol and drugs but excludes tobacco and caffeine.

The Policy means the policy which We issued to the Policyholder under the Policy Number shown on the face page.

We, Our, or Us means the insurance company named on the face page of The Policy.

Your Occupation means Your Occupation as it is recognized in the general workplace. Your Occupation does not mean the specific job You are performing for a specific employer or at a specific location.

You or Your means the person to whom this certificate is issued.

Copyright © 2016 by The Hartford. Classification: Internally Controlled. All rights reserved.
No part of this document may be used, reproduced, published or posted without the permission of The Hartford.
Note: This sample contract is not intended for public dissemination and was drafted for informational purposes only. This document does not constitute a legal document. Language shown includes standard provisions of The Hartford's filed and approved insurance contract, not all available coverage options. The provisions included herein are not recommendations specific to any customer and are not intended to serve as advice for the coverage you may select.

OPTION - COST OF LIVING ADJUSTMENT

This option increases the benefit payable to temper the effect of inflation.

Cost-Of-Living Adjustment: *How do my benefits keep pace with inflation?*
We will adjust Your Monthly Benefit for increases in the cost-of-living if:

1) You have been Disabled for 12 consecutive month(s); and
2) You are receiving benefits; and
3) Your Current Monthly Earnings are less than or equal to 20% of Your Pre-disability Earnings;

when the Cost-of-Living Adjustment is made. We make the Cost-of-Living Adjustment each year on January 1st.

May be lesser of 3/6 % or ½ CPI; lesser of 3/4/5% or Full CPI ; or Flat 1/2/3% Cola Adjustment

What is the Cost-of-Living Adjustment formula?
We apply the Cost-of-Living Adjustment formula by:

1) determining the lesser of:
   a) 3%, or
   b) 1/2 the percentage change in the Consumer Price Index;
2) multiplying the resulting percentage (%) times the Monthly Benefit for Disability being received; and
3) adding the resulting amount to Your Monthly Benefit.

When will the Cost-of-Living Adjustments end?
You will not receive a Cost-of-Living Adjustment after:

1) You cease to be Disabled, or
2) You have received 10 adjustments.

Consumer Price Index (CPI-W) means the index for Urban Wage Earners and Clerical Workers published by the United States Department of Labor. It measures on a periodic (usually monthly) basis the change in the cost of typical urban wage earners' and clerical workers' purchase of certain goods and services. If the index is discontinued or changed, We may use another nationally published index that is comparable to the CPI-W.

For the purposes of this benefit, the percentage change in the CPI-W means the difference between the current year's CPI-W as of July 31, and the prior year's CPI-W as of July 31, divided by the prior year's CPI-W.

Copyright © 2016 by The Hartford. Classification: Internally Controlled. All rights reserved.
No part of this document may be used, reproduced, published or posted without the permission of The Hartford.
Note: This sample contract is not intended for public dissemination and was drafted for informational purposes only. This document does not constitute a legal document. Language shown includes standard provisions of The Hartford's filed and approved insurance contract; not all available coverage options. The provisions included herein are not recommendations specific to any customer and are not intended to serve as advice for the coverage you may select.

OPTION - EXTENDED EARNINGS PROTECTION BENEFIT

This option provides a benefit for a limited time to an employee who returns to full-time work, but is earning a reduced income. It may be attractive to employees who lose their client base during an extended disability.

Extended Earnings Protection Benefit: *Will benefits continue to be paid after my return to work if my earnings are less than Pre-disability Earnings?*
This benefit protects Your earnings level after You have returned to work following a period of Disability. To qualify for this Extended Earnings Protection Benefit, You must:

1) have been Disabled under The Policy and received a Monthly Benefit from Us;
2) no longer be receiving a Monthly benefit from Us;
3) now be working Full-time for the Employer or another employer;
4) be performing all the Essential Duties of Your Occupation or another occupation;
5) as a result of having been so Disabled, be currently earning less than 60% of Your Pre-disability Earnings; and
6) provide to Us each month, satisfactory proof of Your Current Earnings.

The Extended Earnings Protection Benefit will be the lesser of:

1) the Maximum Monthly Benefit; or
2) Your Pre-disability Earnings minus Your Current Earnings multiplied by the Benefit Percentage.

The Extended Earnings Protection Benefit will end on the earliest of:

1) the date benefits have been payable for a maximum duration of 12 month(s);
2) the date You are earning at least 60% of Your Pre-disability Earnings; or
3) the date You fail to submit to Us satisfactory proof of Your Current Earnings.

Current Earnings means monthly earnings You receive from:

1) Your Employer; and
2) other employment, commissions, bonuses, tips and tokens, overtime pay or any other fringe benefits or extra compensation.

Copyright © 2016 by The Hartford. Classification: Internally Controlled. All rights reserved.
No part of this document may be used, reproduced, published or posted without the permission of The Hartford.

Note: This sample contract is not intended for public dissemination and was drafted for informational purposes only. This document does not constitute a legal document. Language shown includes standard provisions of The Hartford's filed and approved insurance contract, not all available coverage options. The provisions included herein are not recommendations specific to any customer and are not intended to serve as advice for the coverage you may select.

OPTION - PENSION CONTRIBUTION BENEFIT

By making continued contributions to the employee's pension plan while they are Disabled, this optional benefit helps protect the employee's retirement planning.

It must be confirmed, in writing, by the Pension Plan Administrator that the pension plan can accept third party payments.

Pension Contribution Benefit: *Does The Policy also cover contributions to a Pension Plan?*

If You:

1) become Disabled while You are covered under this Pension Contribution Benefit;
2) remain Disabled for 365 day(s) of one continuous period of Disability; and
3) are receiving a Monthly Benefit under The Policy;

We will pay a monthly Pension Contribution Benefit to the trustee or administrator of Your Pension Plan for deposit to Your pension account. However, no Pension Contribution Benefit will be payable under this provision:

1) to replace Your contributions to the Pension Plan; or
2) as long as the Pension Plan requires the Employer to fund Your pension.

The Pension Contribution Benefit will be the least of:

1) 15% of Your monthly Pre-disability Earnings;
2) $2,500;
3) the amount of the average monthly tax deferred contributions the Employer made to Your Pension Plan during the 12 calendar months prior to becoming Disabled.

We will make payments under this benefit according to the rules and regulations of the Internal Revenue Service and the provisions of Your Pension Plan. We will make any such payment that cannot be paid to the trustee or administrator of Your Pension Plan to a deferred annuity account designated by You

No Pension Contribution Benefit will be payable after Your Monthly Benefit terminates.

Pension Plan means, for the purpose of this Pension Contribution Benefit, a qualified defined contribution pension plan, profit sharing plan, or other plan approved by Us, in which You are participating as a result of Your employment with the Employer.

Copyright © 2016 by The Hartford. Classification: Internally Controlled. All rights reserved.
No part of this document may be used, reproduced, published or posted without the permission of The Hartford.

Note: This sample contract is not intended for public dissemination and was drafted for informational purposes only. This document does not constitute a legal document. Language shown includes standard provisions of The Hartford's filed and approved insurance contract, not all available coverage options. The provisions included herein are not recommendations specific to any customer and are not intended to serve as advice for the coverage you may select.

OPTION - INFECTIOUS AND CONTAGIOUS DISEASE BENEFIT

This option covers loss of income caused by loss of license or reduced patronage because the employee is a carrier of an Infectious Disease, but is not disabled.

Infectious And Contagious Disease Benefit: *Will The Policy cover the income lo.. if it is disclosed that I carry an Infectious and Contagious Disease?*
You will be eligible to receive an Infectious and Contagious Disease Benefit when You have been covered by this benefit for a period of 12 months, and You provide verification that:

1) You carry an Infectious and Contagious Disease; and
2) You first tested positive for the Infectious and Contagious Disease after the effective date of this benefit; and
3) You are not Disabled but one or more of the following has happened:
   a) Your license to practice Your Occupation has been revoked; or
   b) You or Your license have limitations or restrictions imposed, and as a result You are unable to perform all of the Essential Duties of Your Occupation; or
   c) it has been disclosed that You are infected with an Infectious and Contagious Disease; and
4) throughout a period of time equal in length to the Elimination Period, You have suffered a loss of earnings in excess of 20% of Your Pre-disability Earnings immediately prior to disclosure; and
5) You have never refused to be immunized against the Infectious and Contagious Disease for which You are claiming this benefit.

What qualifies as an Infectious and Contagious Disease?
To qualify as an Infectious and Contagious Disease, a disease must be:

1) categorized by the Center for Disease Control as Infectious and Contagious; and
2) life threatening to You or persons with whom You may come in contact.

What will my monthly benefit be?
We calculate the benefit as the lesser of:

1) the Maximum Monthly Benefit; or
2) Your earnings loss multiplied by the Benefit Percentage.

Your earnings loss is determined by deducting Your Pre-disability Earnings after disclosure from Your Pre-disability Earnings prior to disclosure.

How long may an Infectious and Contagious Disease Benefit be paid?
We will stop paying this benefit on the earliest of:

1) the date Your Current Earnings are equal to or greater than 80% of Your Pre-disability Earnings prior to disclosure;
2) the date You die;
3) the date You become eligible for Disability Benefits under the terms of this Policy;
4) the date We determine You have not made every effort to continue to work in Your Occupation on a full-time basis;
5) the date You no longer participate with Us in seeking and applying for suitable alternate work based on Your training, education, experience, and comparable income;
6) the end of the Maximum Duration of Benefits Table of The Policy; or
7) the end of 2 years from the date this benefit begins.

Current Earnings means monthly earnings You receive from:

1) Your Employer; and
2) other employment, commissions, bonuses, tips and tokens, overtime pay or any other fringe benefits or extra compensation.

Copyright © 2016 by The Hartford. Classification: Internally Controlled. All rights reserved.
No part of this document may be used, reproduced, published or posted without the permission of The Hartford.

Note: This sample contract is not intended for public dissemination and was drafted for informational purposes only. This document does not constitute a legal document. Language shown includes standard provisions of The Hartford's filed and approved insurance contract, not all available coverage options. The provisions included herein are not recommendations specific to any customer and are not intended to serve as advice for the coverage you may select.

OPTION - ABILITY PLUS BENEFIT

This option allows for payment of an additional benefit if there is a loss of two or more Activities of Daily Living, or if there is a cognitive impairment.

Ability Plus Benefit: *What is the Ability Plus Benefit?*
We will pay You the Ability Plus Benefit if:

1) a Monthly Benefit is payable;
2) You become Cognitively Impaired or unable to perform two or more Activities of Daily Living (ADLs) for which You cannot be reasonably accommodated by adaptive equipment:
   a) during or after the Elimination Period, and
   b) for at least 30 consecutive days; and
3) the Disability and such impairment or inability begins while You are covered under this benefit.

The Ability Plus Benefit will be 10% of Your Pre-disability Earnings, but not greater than the lesser of:

1) $5,000; or
2) the Maximum Monthly Benefit.

We will pay the benefit to You monthly. For periods of less than one month, We will pay 1/30th of the Ability Plus Benefit for each day of covered loss. The Ability Plus Benefit is payable in addition to the Monthly Benefit payable under the Disability Benefit.

The Ability Plus Benefit will not:

1) be reduced by Other Income Benefits;
2) increase or reduce other benefits under The Policy; or
3) be subject to the Cost-of-Living Adjustment.

You are not restricted in any way as to Your use of this Ability Plus Benefit.
We will stop paying You the Ability Plus Benefit on the date:

1) Your Monthly Benefit terminates; or
2) You are not Cognitively Impaired and You are able to perform five or more ADLs.

A serious cognitive impairment may also qualify for benefits.

Cognitively Impaired means You suffer severe deterioration, or loss of:

1) memory;
2) orientation; or
3) the ability to understand or reason;

so that You are unable to perform common tasks such as, but not limited to, medication management, money management and using the telephone. The impairment in intellectual capacity must be measurable by standardized tests.

There are six Activities of Daily Living which are used as measurements to determine when an individual can no longer function independently.

Activities of Daily Living (ADLs) means the following functions performed with or without equipment or adaptive devices:

1) bathing Yourself by being able to either:
   a) wash Yourself in a tub or shower devices; or
   b) give Yourself a sponge bath;
2) dressing Yourself by putting on and taking off needed garments and any braces or artificial limbs necessary for You to wear;
3) using the toilet by being able to get to and from, and on and off the toilet, and performing the associated hygienic tasks, or
4) transferring from bed to chair or wheelchair, or
5) bladder and bowel control by being able to either:
   a) voluntarily control bowel and bladder function; or
   b) maintain a reasonable level of personal hygiene, if You are not so able; and
6) feeding Yourself, once the food has been prepared and made available to You.

Copyright © 2016 by The Hartford. Classification: Internally Controlled. All rights reserved.
No part of this document may be used, reproduced, published or posted without the permission of The Hartford.

Note: This sample contract is not intended for public dissemination and was drafted for informational purposes only. This document does not constitute a legal document. Language shown includes standard provisions of The Hartford's filed and approved insurance contract, not all available coverage options. The provisions included herein are not recommendations specific to any customer and are not intended to serve as advice for the coverage you may select.

OPTION - ACCIDENTAL DISMEMBERMENT AND LOSS OF SIGHT

Also known as 'presumptive disability'. A claimant who has one of these losses is 'presumed' to be disabled to a certain extent.

Accidental Dismemberment and Loss of Sight Benefit: *What benefits are payable for dismemberment or loss of sight due to an Injury?*
If, while covered under The Policy, You sustain an accidental bodily injury, which results in any of the following Losses within 365 days after the date of accident, We will pay a monthly benefit, after the Elimination Period, for at least the number of months shown opposite the Loss.

Applies to certain dismemberments or loss of sight resulting from accidental injury. A disability benefit will be paid for the number of months shown even if the employee is not Disabled under the terms of the Policy.

For Loss of:	Minimum Number of Monthly Benefit Payments
Sight of Both Eyes	46
Both Hands or Both Feet	46
One Hand and One Foot	46
One Hand and Sight of One Eye	46
One Foot and Sight of One Eye	46
One Hand or One Foot	23
Sight of One Eye	15
Thumb and Index Finger of Either Hand	12

The monthly benefit amount is the lesser of:
1) the Maximum Monthly Benefit shown in the Schedule of Insurance; or
2) Your Pre-disability Earnings multiplied by the Benefit Percentage.

Loss means, with regard to:
1) hands and feet, actual severance through or above wrist or ankle joints;
2) sight, entire and irrecoverable Loss thereof;
3) thumb and index finger, actual severance through or above the metacarpophalangeal joints.

If You incur more than one of the listed Losses as the result of the same accident, the number of monthly benefit payments that You will receive will be limited to the Loss for which the greatest number of monthly benefit payments are shown in the above Schedule.

Benefits may continue to be payable to You after the Minimum Number of Monthly Benefit Payments have been made, if You remain Disabled. If You die after the Elimination Period, but before the Minimum Number of Monthly Benefit Payments have been made, the remaining monthly benefit payments will be made to Your estate.

Copyright © 2016 by The Hartford. Classification: Internally Controlled. All rights reserved.
No part of this document may be used, reproduced, published or posted without the permission of The Hartford.
Note: This sample contract is not intended for public dissemination and was drafted for informational purposes only. This document does not constitute a legal document. Language shown includes standard provisions of The Hartford's filed and approved insurance contract, not all available coverage options. The provisions included herein are not recommendations specific to any customer and are not intended to serve as advice for the coverage you may select.

OPTION - BUSINESS PROTECTION BENEFIT

This benefit partially compensates a business for its losses resulting from the absence of a proprietor or partner due to Disability

Business Protection Benefit: *Are additional benefits paid to compensate for business revenue lost when I am Disabled?*

We will pay a Monthly Business Protection Benefit to the Employer if You:

1) are actively engaged on a full-time basis in the business of the Employer, and fall within a class of persons that is covered by The Policy, and You are:
   a) the sole proprietor of the Employer if the Employer is a sole proprietorship; or
   b) a general partner of the Employer if the Employer is a partnership; or
   c) a Member of a Limited Liability Company if the Employer is a Limited Liability Company; and
2) become Disabled while You are covered under this Business Protection Benefit; and
3) remain Disabled for the longer of:
   a) the Elimination Period; or
   b) 90 consecutive days; and
4) are receiving a Monthly Benefit for the Disability under the group insurance policy.

We calculate the Monthly Business Protection Benefit as the lesser of:

1) 15% of Your Pre-disability Earnings; or
2) $2,500

Is a benefit paid if I am disabled and working?

If You are Disabled and earning more than 20% of Your Pre-disability Earnings, We will proportionately reduce the Business Protection Benefit according to the following formula:

Business Protection Benefit Payable = **(A divided by B) x C**

where

A = Your Pre-disability Earnings minus Your Current Monthly Earnings
B = Your Pre-disability Earnings
C = The Business Protection Benefit payable if You were Disabled and earning 20% or less of Your Pre-disability Earnings.

How long will this benefit be paid?

We will stop paying the Business Protection Benefits on the earliest of:

1) the date You cease to be Disabled;
2) the date 12 monthly benefits have been paid under this Benefit;
3) the date You cease to be the proprietor, a partner, or a Member, if applicable, of the Employer; or
4) the date You die.

In no event will this benefit continue to be payable beyond a date shown in the Termination of Payment provision.

Copyright © 2015 by The Hartford. Classification: Internally Controlled. All rights reserved.
No part of this document may be used, reproduced, published or posted without the permission of The Hartford.

Note: This sample contract is not intended for public dissemination and was drafted for informational purposes only. This document does not constitute a legal document. Language shown includes standard provisions of The Hartford's filed and approved insurance contract, not all available coverage options. The provisions included herein are not recommendations specific to any customer and are not intended to serve as advice for the coverage you may select.

OPTION - BASIC BENEFIT

This benefit is a low cost alternative plan design. ►

SCHEDULE OF INSURANCE

Initial Benefit Period: the first 30 months of Disability.

Initial Benefit Period Percentage: 60%

Continuing Benefit Period: That part of a period of Disability that extends beyond the Initial Benefit Period.

Continuing Benefit Period Percentage: 40% of Pre-disability Earnings

BENEFITS

Calculation of Monthly Benefit:
Return to Work Incentive: *How are my Disability benefits calculated?*
If You remain Disabled after the Elimination Period, but work while You are Disabled, We will determine Your Monthly Benefit for a period of up to 12 consecutive months as follows:

1) multiply Your Pre-Disability Earnings by the Initial Benefit Period Percentage;
2) compare the result with the Maximum Benefit; and
3) from the lesser amount, deduct Other Income Benefits.

The result is Your Monthly Benefit. Current Monthly Earnings will not be used to reduce Your Monthly Benefit. However, if the sum of Your Monthly Benefit and Your Current Monthly Earnings exceeds 80% of Your Pre-disability Earnings, We will reduce Your Monthly Benefit by the amount of excess.

The 12 consecutive month period will start on the last to occur of:

1) the day You first start work; or
2) the end of the Elimination Period.

If You are Disabled and not receiving benefits under the Return to Work Incentive, during the Initial Benefit Period, We will calculate Your Monthly Benefit as follows:

1) multiply Your Monthly Income Loss by the Initial Benefit Period Percentage;
2) compare the result with the Maximum Benefit; and
3) from the lesser amount, deduct Other Income Benefits.

The result is Your Monthly Benefit.

If Social Security benefits are being received, benefits will not be reduced ►

During the Continuing Benefit Period, if You are not receiving benefits under the Return to Work Incentive, but You are receiving benefits under Social Security Disability or Social Security Retirement plans, or an alternative plan for federal, state or municipal employees, We will determine Your Monthly Benefit as follows:

1) multiply Your Monthly Income Loss by the Initial Benefit Period Percentage;
2) compare the result with the Maximum Benefit; and
3) from the lesser amount, deduct Other Income Benefits.

The result is Your Monthly Benefit.

If Social Security benefits or work earnings under the Return to Work Incentive are not being received, benefits are reduced. ►

During the Continuing Benefit Period, if You are not receiving benefits under the Return to Work Incentive, or under Social Security Disability or Social Security Retirement plans or an alternative plan for federal, state or municipal employees, We will determine Your Monthly Benefit as follows:

Copyright © 2016 by The Hartford. Classification: Internally Controlled. All rights reserved.
No part of this document may be used, reproduced, published or posted without the permission of The Hartford.

Note: This sample contract is not intended for public dissemination and was drafted for informational purposes only. This document does not constitute a legal document. Language shown includes standard provisions of The Hartford's filed and approved insurance contract, not all available coverage options. The provisions included herein are not recommendations specific to any customer and are not intended to serve as advice for the coverage you may select.

1) multiply Your Pre-disability Earnings by the Continuing Benefit Period Percentage;
2) multiply Your Monthly Income Loss by the Initial Benefit Period Percentage, and deduct all Other Income Benefits; and
3) deduct all Other Income Benefits from the Maximum Benefit.

The result of the calculation giving the least amount is Your Monthly Benefit.

Income from all sources cannot exceed 100% of pre-disability earnings.

Calculation of Monthly Benefit: *What happens if the sum of my Monthly Benefit, Current Monthly Earnings, and Other Income Benefits exceeds 100% of my Pre-disability Earnings?*
If the sum of Your Monthly Benefit, Current Monthly Earnings, and Other Income Benefits exceeds 100% of Your Pre-disability Earnings, We will reduce Your Monthly Benefit by the amount of the excess. However, Your Monthly Benefit will not be less than the Minimum Monthly Benefit.

If an overpayment occurs, We may recover all or any portion of the overpayment, in accordance with the Overpayment Recovery provision.

Minimum Monthly Benefit: *Is there a Minimum Monthly Benefit?*
Your Monthly Benefit will not be less than the Minimum Monthly Benefit shown in the Schedule of Insurance.

Partial Month Payment: *How is the benefit calculated for a period of less than a month?*
If a Monthly Benefit is payable for a period of less than a month, We will pay 1/30 of the Monthly Benefit for each day You were Disabled.

If ineligible for Social Security benefits or a Social Security benefits decision is pending, benefits are not reduced.

Denial of Social Security Benefits: *After the Initial Benefit Period expires, is there any allowance if I am ineligible for Social Security?*
If Your Disability prevents You from performing the Essential Duties of Any Occupation, but Your claim for disability benefits under The United States Social Security System, or an alternative plan for federal, state or municipal employees:
1) was denied because You have not worked under these systems long enough to be eligible for disability benefits. Your Monthly Benefit during the Continuing Benefit Period will be calculated using the Initial Benefit Period Percentage; or
2) is still pending at the time the Initial Benefit Period expires, benefits may be paid at the Initial Benefit Period Percentage until the earlier to occur of:
   a) the 12th month following the expiration of the Initial Benefit Period; or
   b) the final adjudication of Your claim for Social Security disability benefits.

Copyright © 2016 by The Hartford. Classification: Internally Controlled. All rights reserved.
No part of this document may be used, reproduced, published or posted without the permission of The Hartford.

Note: This sample contract is not intended for public dissemination and was drafted for informational purposes only. This document does not constitute a legal document. Language shown includes standard provisions of The Hartford's filed and approved insurance contract; not all available coverage options. The provisions included herein are not recommendations specific to any customer and are not intended to serve as advice for the coverage you may select.

OPTION - SPECIFIED CONDITION LIMITATION

An optional limitation that can be included on a policy, limiting certain conditions to a lifetime maximum of months.

► **Specified Condition Limitation:** *Are benefits limited for any specified conditions?* If You are Disabled because of any of the following conditions or symptom complexes:

1) Chemical and Environmental Illness;
2) Chronic Fatigue Illness;
3) Musculoskeletal and Connective Tissue Illness;
4) other specified conditions;
   a) post concussive syndrome;
   b) obstructive sleep apnea;
   c) narcolepsy, cataplexy and other sleep syndromes;
   d) fibromyalgia;
   e) migraines, tension headaches, and cluster headaches;
   f) irritable bowel disease;
   g) Crohn's disease;
   h) celiac disease;
   i) ulcerative colitis; or
   j) chronic Lyme disease, and other chronic illnesses due to tick borne infections; or
5) self-reported symptoms that have not been attributed to a specific diagnosis with objective and verifiable findings. These symptoms include but are not limited to:
   a) dizziness;
   b) fatigue;
   c) headache;
   d) loss of energy;
   e) numbness;
   f) pain;
   g) ringing in the ear, or other perceived ear tones;
   h) stiffness; or
   i) cognitive dysfunction not supported by objective diagnostic testing;

We will limit the Maximum Duration of Benefits, subject to all other provisions of The Policy.

Benefits will be payable until the earlier of:

1) the date benefit payments terminate under the Termination of Payment provision; or
2) the date You have received Disability benefit payments from Us for one or more of the diseases specified above for a total of 24 month(s) in Your lifetime.

The period of time referenced above will include the time that one or more of the specified diseases are the working diagnosis of the condition which is a cause of Your Disability.

Defines Chemical and Environmental Illness as used above in the provision.

► **Chemical and Environmental Illness** means an allergy or sensitivity to chemicals or the environment, including but not limited to:

1) environmental allergies;
2) sick building syndrome;
3) multiple chemical sensitivity syndromes; or
4) chronic toxic encephalopathy including, but not limited to, heavy metal toxicity.

Chemical and Environmental Illness does not include asthma or allergy-induced

Copyright © 2016 by The Hartford. Classification: Internally Controlled. All rights reserved.
No part of this document may be used, reproduced, published or posted without the permission of The Hartford.
Note: This sample contract is not intended for public dissemination and was drafted for informational purposes only. This document does not constitute a legal document. Language shown includes standard provisions of The Hartford's filed and approved insurance contract, not all available coverage options. The provisions included herein are not recommendations specific to any customer and are not intended to serve as advice for the coverage you may select.

reactive lung disease.

Defines Chronic Fatigue Illness as used above in the provision ▶

Chronic Fatigue Illness means an Illness that is characterized by a debilitating fatigue in the absence of known medical or psychological conditions, which includes but is not limited to:

1) chronic fatigue syndrome as supported by Center for Disease Control Guidelines;
2) chronic fatigue immunodeficiency syndrome as supported by Center for Disease Control Guidelines;
3) post viral syndrome;
4) limbic encephalopathy;
5) Epstein-Barr virus infection;
6) herpes virus type 6 infection; or
7) myalgic encephalomyelitis.

Chronic Fatigue Illness does not include a disorder identified as:

1) neoplastic disorder;
2) neurologic disorder;
3) endocrine disorder;
4) hematologic disorder;
5) rheumatologic disorder; or
6) depression.

Defines Musculoskeletal and Connective Tissue Illness as used above in the provision. ▶

Musculoskeletal and Connective Tissue Illness means a disease or disorder of the neck and back or sprains and strains of joints and adjacent tissues, including but not limited to:

1) cervical, thoracic and lumbosacral and surrounding soft tissue conditions without radiculopathy confirmed by diagnostic testing;
2) carpal tunnel or repetitive motion syndrome;
3) temporomandibular joint or craniomandibular joint disorder;
4) myofascial pain; or
5) scoliosis that does not require surgery.

Unless specifically listed above, any other musculoskeletal conditions which have confirmed positive universally accepted diagnostic testing such as but not limited to EMG, MRI, CAT, laboratory tests, etc. are not subject to the limitation.

Copyright © 2016 by The Hartford. Classification: Internally Controlled. All rights reserved.
No part of this document may be used, reproduced, published or posted without the permission of The Hartford.

Note: This sample contract is not intended for public dissemination and was drafted for informational purposes only. This document does not constitute a legal document. Language shown includes standard provisions of The Hartford's filed and approved insurance contract; not all available coverage options. The provisions included herein are not recommendations specific to any customer and are not intended to serve as advice for the coverage you may select.

OPTION - EARNINGS LOSS FROM DAY 1

Optional formula for Disability requires both a loss of earnings and a loss of one or more Essential Duties of the job, from the first day of Disability.

► **Disability or Disabled** means You are prevented from performing one or more of the Essential Duties of:

1) Your Occupation, during the Elimination Period and for the 24 months following the Elimination Period, and as a result Your Current Monthly Earnings are less than 80% of Your Indexed Pre-disability Earnings; and
2) after that, Any Occupation.

Your Disability must result from:

1) accidental bodily injury;
2) sickness;
3) Mental Illness;
4) Substance Abuse; or
5) pregnancy.

Your failure to pass a physical examination required to maintain a license to perform the duties of Your occupation, alone, does not mean that You are Disabled.

Copyright © 2016 by The Hartford. Classification: Internally Controlled. All rights reserved.
No part of this document may be used, reproduced, published or posted without the permission of The Hartford.

Note: This sample contract is not intended for public dissemination and was drafted for informational purposes only. This document does not constitute a legal document. Language shown includes standard provisions of The Hartford's filed and approved insurance contract, not all available coverage options. The provisions included herein are not recommendations specific to any customer and are not intended to serve as advice for the coverage you may select.

The Hartford® is The Hartford Financial Services Group, Inc. and its subsidiaries including issuing companies Hartford Life Insurance Company and Hartford Life and Accident Insurance Company. Home office is Hartford, CT.

Copyright © 2016 by The Hartford. Classification: Internally Controlled. All rights reserved.
No part of this document may be used, reproduced, published or posted without the permission of The Hartford.

Note: This sample contract is not intended for public dissemination and was drafted for informational purposes only. This document does not constitute a legal document. Language shown includes standard provisions of The Hartford's filed and approved insurance contract, not all available coverage options. The provisions included herein are not recommendations specific to any customer and are not intended to serve as advice for the coverage you may select.

Item# *84-16 Consent Calendar

Municipal Suspense Tax Book.

Report of Committee on Budget & Appropriations

City Council Meeting Date: June 19, 2017

Attest: Lydia N. Martinez

Lydia N. Martinez, City Clerk

Approved by: _____

Joseph P. Ganim, Mayor

Date Signed: 7/10/17

RECEIVED
CITY CLERK'S OFFICE
2017 JUL 10 P 3:20

ATTEST _____
CITY CLERK

City of Bridgeport, Connecticut
Office of the City Clerk

To the City Council of the City of Bridgeport:

The Committee on **Budget and Appropriations** begs leave to report; and recommends for adoption the following resolution:

Item No. *84-16 Consent Calendar

RESOLVED, That City Council of the City of Bridgeport hereby approve, as directed by the State Tax Commission under Section 12-165, a copy of Municipal Suspense Tax Book for fiscal year ending June 30, 2017; and be it further

RESOLVED, That this Manual represents Grand List 2001 through 2015, which consist of Analyzed Personal Property and Motor Vehicle Taxes at the close of the fiscal year ending June 30, 2017 for the total amount of $170,108.47.

RESPECTFULLY SUBMITTED,
THE COMMITTEE ON
BUDGET AND APPROPRIATIONS

absent
Denese Taylor-Moye, D-131st, ***Co-Chair***

Scott Burns, D-130th, ***Co-Chair***

M. Evette Brantley, D-132nd

absent
AmyMarie Vizzo-Paniccia, D-134th

Anthony R. Paoletto, D-138th

Aidee Nieves, D-137th

Jose R. Casco, D-136th

City Council Date: June 19, 2017

Bill #	Name	Reason	Total Susp
2004-02-1051207	AECO---ALLIED ELEVATOR CO	OUT OF BUSINESS	$ 403.20
2004-02-6605351	AMERICAN EXPRESS BUSINESS FIN	OUT OF BUSINESS	$ 1,374.33
2004-02-7567423	ADVENT TECHNOLOGIES	OUT OF BUSINESS	$ 3,780.00
2005-02-1051207	AECO---ALLIED ELEVATOR CO	OUT OF BUSINESS	$ 422.80
2005-02-6094721	AZTECA RESTAURANT & BAR LLC	OUT OF BUSINESS	$ 3,171.00
2005-02-7567423	ADVENT TECHNOLOGIES	OUT OF BUSINESS	$ 5,450.16
2005-02-7930854	TRU CONNECT	OUT OF BUSINESS	$ 659.31
2005-02-7932482	N & S CONVENIENCE LAUNDROMAT	OUT OF BUSINESS	$ 3,963.76
2006-02-1051207	AECO---ALLIED ELEVATOR CO	OUT OF BUSINESS	$ 412.80
2006-02-5196933	AVENUE LAUNDROMAT LLC	OUT OF BUSINESS	$ 272.28
2006-02-7930854	TRU CONNECT	OUT OF BUSINESS	$ 464.40
2006-02-7932482	N & S CONVENIENCE LAUNDROMAT	OUT OF BUSINESS	$ 4,644.00
2006-02-7948354	ALEJANDRA S RISTORANTE	OUT OF BUSINESS	$ 1,290.00
2006-02-7963159	EL MODERNO RESTAURANT	OUT OF BUSINESS	$ 1,806.00
2006-02-7965062	ALLIED HOME MORTGAGE CAPITAL	OUT OF BUSINESS	$ 412.80
2007-02-1051207	AECO---ALLIED ELEVATOR CO	OUT OF BUSINESS	$ 445.80
2007-02-1051657	ANTHONYS AUTO BODY INC	OUT OF BUSINESS	$ 1,588.17
2007-02-3895975	NEWSPLUS (RAMESHWAN LLC)	OUT OF BUSINESS	$ 158.19
2007-02-5196933	AVENUE LAUNDROMAT LLC	OUT OF BUSINESS	$ 5,015.26
2007-02-7930854	TRU CONNECT	OUT OF BUSINESS	$ 724.43
2007-02-7932482	N & S CONVENIENCE LAUNDROMAT	OUT OF BUSINESS	$ 4,458.00
2007-02-7948354	ALEJANDRA S RISTORANTE	OUT OF BUSINESS	$ 1,671.76
2007-02-7963159	EL MODERNO RESTAURANT	OUT OF BUSINESS	$ 2,340.46
2007-02-7964961	ACES BAR & RESTAURANT	OUT OF BUSINESS	$ 2,507.64
2007-02-7965062	ALLIED HOME MORTGAGE CAPITAL	OUT OF BUSINESS	$ 1,114.50
2007-02-8705808	AMERICAN DRYWALL, LLC	OUT OF BUSINESS	$ 3,064.88
2007-02-8707894	PAULO CONSTRUCTION CO	OUT OF BUSINESS	$ 266.72
2007-02-8709595	KI-KIS RESTAURANT LLC	OUT OF BUSINESS	$ 1,003.06
2008-02-0040129	ACES BAR & RESTAURANT	OUT OF BUSINESS	$ 1,694.88
2008-02-0040170	AECO---ALLIED ELEVATOR CO	OUT OF BUSINESS	$ 387.40
2008-02-0040229	ALEJANDRA S RISTORANTE	OUT OF BUSINESS	$ 1,452.76
2008-02-0040257	ALL SEASONS SERV INC	OUT OF BUSINESS	$ 2,678.02
2008-02-0040276	ALLIED HOME MORTGAGE CAPITAL	OUT OF BUSINESS	$ 968.50
2008-02-0040311	AMERICAN DRYWALL LLC	OUT OF BUSINESS	$ 2,663.38
2008-02-0040370	ANTHONYS AUTO BODY INC	OUT OF BUSINESS	$ 2,760.24
2008-02-0040502	AVENUE LAUNDROMAT LLC	OUT OF BUSINESS	$ 4,358.26
2008-02-0041204	COMPUTER GUY THE	OUT OF BUSINESS	$ 629.54
2008-02-0041709	EL MODERNO RESTAURANT	OUT OF BUSINESS	$ 2,033.86
2008-02-0042496	INDUSTRIAL WRECKING INC	OUT OF BUSINESS	$ 3,995.06
2008-02-0042614	JAZEMART LLC	OUT OF BUSINESS	$ 1,187.92
2008-02-0043468	N & S CONVENIENCE LAUNDROMAT	OUT OF BUSINESS	$ 3,874.00
2008-02-0043570	NEWSPLUS (RAMESHWAN LLC)	OUT OF BUSINESS	$ 799.02
2008-02-0043844	PAULO CONSTRUCTION CO	OUT OF BUSINESS	$ 594.54
2008-02-0044182	RELIABLE SOURCE LLC	OUT OF BUSINESS	$ 121.06
2008-02-0044473	SHIPS WHEEL GALLEY LLC	OUT OF BUSINESS	$ 121.06

Bill #	Name	Reason	Total Susp
2008-02-8717179	ACTION REPAIR SERVICE	OUT OF BUSINESS	$ 1,452.75
2009-02-0040061	A CUT ABOVE	OUT OF BUSINESS	$ 334.96
2009-02-0040129	ACES BAR & RESTAURANT	OUT OF BUSINESS	$ 1,734.26
2009-02-0040170	AECO---ALLIED ELEVATOR CO	OUT OF BUSINESS	$ 266.38
2009-02-0040257	ALL SEASONS SERV INC	OUT OF BUSINESS	$ 2,195.14
2009-02-0040276	ALLIED HOME MORTGAGE CAPITAL	OUT OF BUSINESS	$ 991.00
2009-02-0040311	AMERICAN DRYWALL LLC	OUT OF BUSINESS	$ 2,725.26
2009-02-0040370	ANTHONYS AUTO BODY INC	OUT OF BUSINESS	$ 2,824.36
2009-02-0040502	AVENUE LAUNDROMAT LLC	OUT OF BUSINESS	$ 4,459.50
2009-02-0041709	EL MODERNO RESTAURANT	OUT OF BUSINESS	$ 2,081.10
2009-02-0042496	INDUSTRIAL WRECKING INC	OUT OF BUSINESS	$ 961.48
2009-02-0042614	JAZEMART LLC	OUT OF BUSINESS	$ 1,285.30
2009-02-0043468	N & S CONVENIENCE LAUNDROMAT	OUT OF BUSINESS	$ 799.98
2009-02-0043570	NEWSPLUS (RAMESHWAN LLC)	OUT OF BUSINESS	$ 219.22
2009-02-0044182	RELIABLE SOURCE LLC	OUT OF BUSINESS	$ 123.88
2009-02-0044418	SEAVIEW AVE FISH & CHIPS	OUT OF BUSINESS	$ 392.01
2009-02-0044473	SHIPS WHEEL GALLEY LLC	OUT OF BUSINESS	$ 123.88
2009-02-0045685	ACTION REPAIR SERVICE	OUT OF BUSINESS	$ 1,486.50
2010-02-0040061	A CUT ABOVE	OUT OF BUSINESS	$ 267.98
2010-02-0040129	ACES BAR & RESTAURANT	OUT OF BUSINESS	$ 1,387.40
2010-02-0040170	AECO---ALLIED ELEVATOR CO	OUT OF BUSINESS	$ 252.52
2010-02-0040257	ALL SEASONS SERV INC	OUT OF BUSINESS	$ 1,584.42
2010-02-0040276	ALLIED HOME MORTGAGE CAPITAL	OUT OF BUSINESS	$ 792.80
2010-02-0040311	AMERICAN DRYWALL LLC	OUT OF BUSINESS	$ 2,180.20
2010-02-0040502	AVENUE LAUNDROMAT LLC	OUT OF BUSINESS	$ 3,567.60
2010-02-0042496	INDUSTRIAL WRECKING INC	OUT OF BUSINESS	$ 900.42
2010-02-0042614	JAZEMART LLC	OUT OF BUSINESS	$ 903.36
2010-02-0043468	N & S CONVENIENCE LAUNDROMAT	OUT OF BUSINESS	$ 725.22
2010-02-0043570	NEWSPLUS (RAMESHWAN LLC)	OUT OF BUSINESS	$ 88.08
2010-02-0044182	RELIABLE SOURCE LLC	OUT OF BUSINESS	$ 99.10
2010-02-0044418	SEAVIEW AVE FISH & CHIPS	OUT OF BUSINESS	$ 594.60
2010-02-0044473	SHIPS WHEEL GALLEY LLC	OUT OF BUSINESS	$ 123.88
2010-02-0044728	SUZAN BS AT BPT MANOR	OUT OF BUSINESS	$ 247.76
2010-02-0045521	GARYS PROFESSIONAL HAND WASH	OUT OF BUSINESS	$ 102.68
2010-02-0045599	SALT & PEPPER	OUT OF BUSINESS	$ 251.28
2010-02-0046916	A TASTE OF SEAFOOD CONN INC	OUT OF BUSINESS	$ 3,716.26
2011-02-0040052	A CUT ABOVE	OUT OF BUSINESS	$ 347.38
2011-02-0040065	A TASTE OF SEAFOOD CONN INC	OUT OF BUSINESS	$ 3,854.06
2011-02-0040116	ACTION REPAIR SERVICE	OUT OF BUSINESS	$ 1,541.64
2011-02-0040145	AECO---ALLIED ELEVATOR CO	OUT OF BUSINESS	$ 261.88
2011-02-0041175	CONTINENTAL CLEANERS	OUT OF BUSINESS	$ 351.90
2011-02-0041701	FAMILY TRANSPORTATION SVC LLC	OUT OF BUSINESS	$ 7.32
2011-02-0041905	GARYS PROFESSIONAL HAND WASH	OUT OF BUSINESS	$ 154.16
2011-02-0042254	INDUSTRIAL WRECKING INC	OUT OF BUSINESS	$ 1,667.54
2011-02-0042738	LOS MAGUEYES REST LLC	OUT OF BUSINESS	$ 770.82
2011-02-0043788	RELIABLE SOURCE LLC	OUT OF BUSINESS	$ 102.78

Bill #	Name	Reason	Total Susp
2011-02-0043921	SALT & PEPPER	OUT OF BUSINESS	$ 2,523.74
2011-02-0043945	SANTOS RESTAURANT	OUT OF BUSINESS	$ 231.24
2011-02-0043989	SEAVIEW AVE FISH & CHIPS	OUT OF BUSINESS	$ 616.66
2011-02-0044283	SUZAN BS AT BPT MANOR	OUT OF BUSINESS	$ 256.94
2011-02-0044469	TRU CONNECT SYSTEMS LLC	OUT OF BUSINESS	$ 138.46
2012-02-0001123	SUZAN BS AT BPT MANOR	OUT OF BUSINESS	$ 327.02
2012-02-0001302	FAMILY TRANSPORTATION SVC LLC	OUT OF BUSINESS	$ 52.32
2012-02-0001448	A CUT ABOVE	OUT OF BUSINESS	$ 353.68
2012-02-0001773	CT DISMANTLING	OUT OF BUSINESS	$ 1,782.66
2012-02-0001842	AECO---ALLIED ELEVATOR CO	OUT OF BUSINESS	$ 260.06
2012-02-0002327	CONTINENTAL CLEANERS	OUT OF BUSINESS	$ 358.28
2012-02-0002975	LOS MAGUEYES REST LLC	OUT OF BUSINESS	$ 281.32
2012-02-0003265	RELIABLE SOURCE LLC	OUT OF BUSINESS	$ 130.80
2012-02-0003363	SANTOS RESTAURANT	OUT OF BUSINESS	$ 235.44
2012-02-0003697	A TASTE OF SEAFOOD CONN INC	OUT OF BUSINESS	$ 1,404.86
2012-02-0003734	TRU CONNECT SYSTEMS LLC	OUT OF BUSINESS	$ 131.26
2012-02-0003882	SEAVIEW AVE FISH & CHIPS	OUT OF BUSINESS	$ 784.78
2012-02-0004213	TAFFEE PLACE LLC	OUT OF BUSINESS	$ 2,565.08
2012-02-0004346	ACTION REPAIR SERVICE	OUT OF BUSINESS	$ 1,569.56
2012-03-0072890	GALLAGHER MARY T	DECEASED	$ 275.42
2013-02-0001123	SUZAN BS AT BPT MANOR	OUT OF BUSINESS	$ 263.74
2013-02-0001302	FAMILY TRANSPORTATION SVC LLC	OUT OF BUSINESS	$ 52.75
2013-02-0001448	A CUT ABOVE	OUT OF BUSINESS	$ 356.58
2013-02-0001842	AECO---ALLIED ELEVATOR CO	OUT OF BUSINESS	$ 209.72
2013-02-0002327	CONTINENTAL CLEANERS	OUT OF BUSINESS	$ 361.22
2013-02-0002774	B & B DELI	OUT OF BUSINESS	$ 362.52
2013-02-0002975	LOS MAGUEYES REST LLC	OUT OF BUSINESS	$ 336.06
2013-02-0003265	RELIABLE SOURCE LLC	OUT OF BUSINESS	$ 131.88
2013-02-0003363	SANTOS RESTAURANT	OUT OF BUSINESS	$ 237.36
2013-02-0003697	TASTE OF SEAFOOD CONN	OUT OF BUSINESS	$ 522.41
2013-02-0003734	TRU CONNECT SYSTEMS LLC	OUT OF BUSINESS	$ 111.32
2013-02-0003882	SEAVIEW AVE FISH & CHIPS	OUT OF BUSINESS	$ 791.22
2013-02-0004213	TAFFEE PLACE LLC	OUT OF BUSINESS	$ 3,273.26
2013-02-0004346	ACTION REPAIR SERVICE	OUT OF BUSINESS	$ 1,582.44
2013-02-0004721	BRIGHT LIKE A DIAMOND	OUT OF BUSINESS	$ 261.12
2013-03-0085313	LAROSA VINCENT 3RD	BANKRUPTCY	$ 105.50
2013-03-0085314	LAROSA VINCENT 3RD	BANKRUPTCY	$ 173.02
2013-03-0099667	PATTERSON RONALD JR	BANKRUPTCY	$ 130.91
2013-04-0094716	PATTERSON RONALD JR	BANKRUPTCY	$ 286.95
2014-02-0000960	SUZAN BS AT BPT MANOR	OUT OF BUSINESS	$ 263.74
2014-02-0001110	FAMILY TRANSPORTATION SVC LLC	OUT OF BUSINESS	$ 52.75
2014-02-0001237	A CUT ABOVE	OUT OF BUSINESS	$ 356.58
2014-02-0001589	AECO---ALLIED ELEVATOR CO	OUT OF BUSINESS	$ 203.10
2014-02-0001991	CONTINENTAL CLEANERS	OUT OF BUSINESS	$ 451.52
2014-02-0002504	TROPICANA BRAZILIAN BUFFET	OUT OF BUSINESS	$ 336.06
2014-02-0002719	RELIABLE SOURCE LLC	OUT OF BUSINESS	$ 131.88

Bill #	Name	Reason	Total Susp
2014-02-0002787	SANTOS RESTAURANT	OUT OF BUSINESS	$ 237.36
2014-02-0003017	TASTE OF SEAFOOD	OUT OF BUSINESS	$ 573.22
2014-02-0003128	SEAVIEW AVE FISH & CHIPS	OUT OF BUSINESS	$ 791.22
2014-02-0003246	KAREN LOPRETE ARTIST	OUT OF BUSINESS	$ 13.12
2014-02-0003512	TAFFEE PLACE LLC	OUT OF BUSINESS	$ 443.08
2014-02-0003610	ACTION REPAIR SERVICE	OUT OF BUSINESS	$ 1,582.44
2014-02-0003834	BRIGHT LIKE A DIAMOND	OUT OF BUSINESS	$ 261.12
2014-03-0100541	PATTERSON RONALD JR	BANKRUPTCY	$ 486.54
2015-02-0000960	SUZAN BS AT BPT MANOR	OUT OF BUSINESS	$ 424.80
2015-02-0001110	FAMILY TRANSPORTATION SVC LLC	OUT OF BUSINESS	$ 67.96
2015-02-0001237	A CUT ABOVE	OUT OF BUSINESS	$ 459.44
2015-02-0001589	AECO---ALLIED ELEVATOR CO	OUT OF BUSINESS	$ 195.08
2015-02-0002719	RELIABLE SOURCE LLC	OUT OF BUSINESS	$ 169.92
2015-02-0002787	SANTOS RESTAURANT	OUT OF BUSINESS	$ 305.84
2015-02-0003246	KAREN LOPRETE ARTIST	OUT OF BUSINESS	$ 18.49
2015-02-0003610	ACTION REPAIR SERVICE	OUT OF BUSINESS	$ 2,038.88
2015-02-0003834	BRIGHT LIKE A DIAMOND	OUT OF BUSINESS	$ 339.82
2015-02-0003947	JUNCO BEDEGA XIV	OUT OF BUSINESS	$ 339.82
2015-03-0101120	PAOLETTA DONNA J	BANKRUPTCY	$ 82.88
2015-03-0101525	PATTERSON RONALD JR	BANKRUPTCY	$ 318.20
2015-04-0086330	EDMISTON JAMES A	BANKRUPTCY	$ 463.65
2015-04-0089108	HEALY WILLIAM T JR	BANKRUPTCY	$ 74.37
2015-04-0099156	SALCEDO BLAIR B	BANKRUPTCY	$ 288.82
Grand Total: 160			$ 170,108.47