

RESOLUTION OF THE CITY COUNCIL

No. 327

Approved August 3, 2016

RESOLVED, That the Members of the Providence City Council hereby Authorize Approval to renew the current Stop Loss Insurance Contract Award for the term of one year beginning July 1, 2016 through June 30, 2017, by the Board of Contract and Supply, in accordance with Section 21-26 of the Code of Ordinances.

Blue Cross Blue Shield of RI
(Human Resources)

\$922,000.00

IN CITY COUNCIL

AUG 02 2016

READ AND PASSED

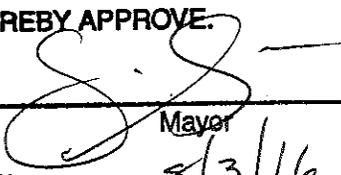


PRES.



CLERK

I HEREBY APPROVE.



Mayor

Date: 8/3/16

MATTHEW M. CLARKIN, JR.
INTERNAL AUDITOR
25 DORRANCE STREET, ROOM #307
PROVIDENCE, RI 02903
Phone: (401) 421-7740 EXT. 577
Fax: (401) 351-1056
mciarkin@providenceri.com



City of Providence, Rhode Island Office of the Internal Auditor

June 23, 2016

Ms. Lori Hagen
City Clerk's Office
City of Providence
25 Dorrance Street
Providence, RI 02903

Dear Lori:

I am writing to request that the following requested contract awards be submitted to the City Council and the Finance Committee for approval.

- *Public Works* – Approval of a sole-source award in an amount of \$63,000 to Dunbar Armored, Inc. for monthly armored car service to be provided during fiscal 2017 to the Department of Public Works for parking meter revenue collection.
- *Public Works*- Approval of a sole-source award in an amount of \$43,200 to Cale America, Inc for monthly service during fiscal 2017 on multi-space parking meters.
- *Public Works* - Approval of a sole-source award in the amount of \$187,200 to Cale America, Inc for monthly leasing fees during fiscal 2017 on multi-space parking meters.
- *Public Works* – Approval a sole-source award to Pascale Services in an amount of \$25,000 for the purchase of miscellaneous parks for International, Sterling and Freightliner Trucks.
- *Public Works* – Approval of a sole-source award to MacKay Meters, Inc. in an amount of \$135,500 for monthly service fees on single space parking meters.
- *Information Technology* - Approval of a sole-source, three-year award to W.B. Mason Inc. in an amount not to exceed \$90,000 for the periodic purchases of printer, toner, paper, office supplies and computer supplies.

- *Information Technology* – Approval of a one-year contract extension in an amount of \$30,000 for fiscal year 2017 to Jimmy Chiu for emergency Lawson software infrastructure support.
- *Human Resources* – Approval to renew the current Pharmacy Benefit Management contract with CVS/Caremark for a term of two years beginning July 1, 2016 through June 30, 2018 at a maximum cost of \$19,292,000.
- *Human Resources* – Approval to renew the current Stop Loss Insurance contract with Blue Cross-Blue Shield of RI for the term of one year beginning July 1, 2016 through June 30, 2017 at a cost of \$922,000.
- *Planning & Development* – Approval to renew the current contract for fiscal 2017 in amount of \$150,000 with Building Futures for services associated with the city's First Source program.

Sincerely,



Matthew M. Clarkin, Jr.

Internal Auditor

Cc: Alan Sepe, Director of Operations
James Lombardi, City Treasurer
Margaret Wingate, Manager of Employee Benefits
Natalie Lopes, Director –First Source
Russell P. Knight, Director – Public Works
James Silveria, Chief Information Officer



CITY OF PROVIDENCE
Jorge O. Elorza, Mayor

June 17, 2016

The Honorable Mayor Jorge Elorza
Chairman, Board of Contract and Supply
City Hall
Providence, RI 02903

Dear Mayor Elorza:

Mercer, as outlined in their contract with the City of Providence, has responsibility of Stop Loss insurance coverage placement services. Mercer's stop loss responsibilities are outlined in Section 2 of the Health and Benefits Statement of Work (SOW). Mercer, using industry best practices, has negotiated with Blue Cross Blue Shield of RI (BCBSRI) the proposed stop loss rates for the City and Work Related Injury policies.

We are respectfully requesting authorization to renew the stop loss contract with Blue Cross Blue Shield of RI (BCBSRI) for the term of one (1) years beginning July 1, 2016 through June 30, 2018. (Mercer's analysis of both a one-year and a two-year extension are attached).

The reasons for this request are as follows:

- Mercer, on behalf of the City, has negotiated a) 0% increase or a rate pass for the Fiscal year 2017 for both the City of Providence population and the WRI (work-related injury) group
- In Fiscal Year 2016, Mercer had successfully negotiated a rate impact of -6.4% compared to the Fiscal Year 2015 premium
- Over the past 2 renewal cycles (for FY16 and FY17) the City's average trend is -3.2% (-6.4% for FY16 and 0% for FY17). The industry trend is 16%-32% over 2 years
- The status quo Industry Stop Loss level for both groups (City of Providence population and WRI group) is above the median benchmark for a similar sized group however, Mercer generally recommends that clients take on as much risk as they think is feasible for their organization based on financial goals
- As BCBSRI is also the plan administrator, reimbursement when necessary, will impact the City's budget in a more timely process than if the City was to partner with an outside vendor
- Offering BCBSRI as both the administrator and Stop Loss vendor will also ensure that the coverage provided through the Stop Loss plan will be based on the medical plans offered by the City – this significantly limits any gaps in coverage

Account: 891-891-53500 (actives)
891-892-53500 (retirees)
Amount: \$922,000.00 (\$845,000 City, \$77,000 WRI)

Respectfully Submitted,

Margaret M. Wingate
Manager of Employee and Retiree Benefits

Financial Approval:

Lawrence J. Mancini
Director of Finance

HUMAN RESOURCES

Providence City Hall | 25 Dorrance Street, Room 401, Providence, Rhode Island 02903
401 421 7740 ph | 401 273 9510 fax
www.providenceri.com



Human Resources

Jorge O. Elorza, Mayor | Sybil Bailey, Director

July 19, 2016

Councilman John Iglizzi
Chairman, Committee on Finance
Providence City Hall
25 Dorrance Street
Providence, RI 02903

Dear Chairman Iglizzi:

In consideration of a Resolution authorizing approval to renew the current Stop Loss Insurance Contract Award for a term of one year beginning July 1, 2016 through June 30, 2017, by the Board of Contract and Supply, in accordance with Section 21-26 of the Code of Ordinances, please find the following items:

- a. Board of Contract & Supply Letter dated June 17, 2016 requesting approval to renew the Stop Loss Insurance Contract with Blue Cross Blue Shield of Rhode Island for a term of one year beginning July 1, 2016 through June 30, 2017.
- b. Stop Loss proposal confirmation of terms provided by Mercer Health & Benefits LLC, documenting a 0% increase or rate pass for FY17. Over the past two renewal cycles (FY16 & FY17) the City's average trend is -3.2% (-6.4% for FY2016 and 0% for FY2017), as compared to the industry trend of 16%-32%
- c. Stop Loss Amendment between the City of Providence and BCBSRI July 1, 2015 through June 30, 2016
- d. Medical Stop Loss Contract between the City of Providence and BCBSRI signed April 1, 2012. The above noted item c. is the current in force amendment to this original contract
- e. Work Related Injury Stop Loss Amendment between the City of Providence and BCBSRI effective July 1, 2015 through June 30, 2016
- f. Work Related Injury Stop Loss Contract between the City of Providence and BCBSRI effective signed March 27, 2013. The above noted item e. is the current in force amendment to this original contract.

Respectfully Submitted,

Margaret M. Wingate
Manager of Employee Benefits

PROVIDENCE THE CREATIVE CAPITAL

25 Dorrance Street | Room 401 | Providence, Rhode Island 02903 | 401 421 7740 OFFICE | 401 273 9510 FAX
www.providenceri.com



CITY OF PROVIDENCE
Jorge O. Elorza, Mayor

June 17, 2016

The Honorable Mayor Jorge Elorza
Chairman, Board of Contract and Supply
City Hall
Providence, RI 02903

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Respectfully Submitted,

Margaret M. Wingate
Manager of Employee and Retiree Benefits

Financial Approval:

Lawrence J. Mancini
Director of Finance

HUMAN RESOURCES

Providence City Hall | 25 Dorrance Street, Room 401, Providence, Rhode Island 02903
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Matthew S Pukel
Principal

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+1 617 747 9632
matthew.s.pukel@mercer.com
www.mercer.com

Confidential

Margaret Wingate
Manager of Employee Benefits
City of Providence
25 Dorrance Street
Providence, RI 02903

June 15, 2016

Subject: Stop Loss Placement - Confirmation of Terms

Dear Margaret:

Thank you for retaining Mercer to assist with the placement of stop loss coverage with Blue Cross Blue Shield of Rhode Island. I am writing to confirm the terms, conditions and exclusions of coverage for your company and to ask for your written acknowledgement that you have reviewed and understand the terms of coverage.

Summary of Terms, Conditions and Exclusions of Coverage

City of Providence's specific stop loss coverage will be effective 7/1/2016. The rates are in force for a period of 12 months, ending 6/30/2017.

Specific Stop Loss:	
• Rate	City: \$9.98/ee/month WRI: \$1.63/ee/month
• Estimated Annual Premium	\$845,000 based on 7,056 covered lives (City) \$77,000 based on 3,934 covered lives (WRI) Total: \$922,000 based on covered lives in City and WRI
• Commissions Included	0%
• Stop Loss Deductible	\$1M/individual (City) \$500K/individual (WRI)
• Contract Basis	12/24
• Lifetime Maximum	Unlimited
• Policy Period Maximum	Unlimited (City) \$4.5M (WRI)
• Covered Population	Actives, COBRA, Pre-65 Retirees (and PF1R)
• Benefits Covered	Medical/Rx
• Renewal Rate Cap	None



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June 15, 2016
Margaret Wingate
City of Providence

Please be advised that, under this contract, the following claims are covered:

- Claims incurred between 7/1/2016 and 6/30/2017 and paid between 7/1/2016 and 6/30/2018

Please be advised that terminal liability option (TLO) is not included in the stop loss policy. If City of Providence were to not renew coverage with Blue Cross Blue Shield of Rhode Island, claims paid after 6/30/2018 would not be covered under this stop loss policy.

The following claims are not included or are limited in the Specific Stop Loss Coverage:

- Claims listed under the exclusion section of your stop loss policy
- Amounts in excess of \$4.5M per WRI claimant (policy period maximum)
- Post-65 Retiree claims (exception: Group PF1R who is also covered by Medicare Part D)
- Claims incurred prior to 7/1/2016

We strongly advise and urge you to review your Stop Loss contract for a complete description of your coverage and its limitations and your responsibilities as the plan sponsor.

Please sign below to acknowledge your understanding of the terms of the Stop Loss arrangement for City of Providence. If we do not receive a response from you accepting the terms or otherwise disputing any terms within five business days of your receipt of this letter, the terms will be deemed to have been accepted by you.

Authorized Representative of City of Providence

Date

Please contact me at 1 617 747 9632 if you would like to discuss any aspect of the Stop Loss coverage.

Sincerely,

Matthew S Pukel
Principal



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June 15, 2016
Margaret Wingate
City of Providence

Copy:
Monty Sanders
Kritika Kumar
Andrew Jung

Blue Cross & Blue Shield of Rhode Island

Stop Loss Amendment

July 1, 2015 through June 30, 2016

**STOP-LOSS AMENDMENT
CITY OF PROVIDENCE
BLUE CROSS & BLUE SHIELD OF RHODE ISLAND
EFFECTIVE JULY 1, 2015 through JUNE 30, 2016 ("Rate Year")**

CITY OF PROVIDENCE (herein after referred to as the "INSURED") hereby accepts the following Premium and Stop-Loss coverage for the period stated above. INSURED understands that BCBSRI may adjust these rates in accordance with Section 4.4 of the Stop-Loss Agreement between the Parties. This document shall serve as an amendment to the existing fully executed Stop-Loss Agreement.

Benefit Accumulation Period:				
Losses Incurred from and Paid from	July 1, 2015	through	July 1, 2015	June 30, 2016 through June 30, 2017

Specific Stop-Loss		
Specific Deductible	\$1,000,000	(per Enrolled Member, per Benefit Accumulation Period)
Specific Stop-Loss Maximum	Unlimited CY	(per Enrolled Member, per Benefit Accumulation Period)
Specific Stop-Loss Coverage: 100% of Losses in excess of the Specific Deductible will be reimbursed up to the Specific Stop-Loss Maximum.		

Monthly Per Subscriber Charges Effective July 1, 2015 through June 30, 2016 shall be:	
	<i>Cost Per Subscriber</i>
Specific Stop-Loss	\$2.98
Total Monthly Per-Subscriber Charges	\$9.98

Except as expressly amended by this Amendment, the Agreement shall remain in full force and effect and is hereby in all respects ratified, adopted, and confirmed. From and after the date hereof, any reference to the Agreement, whether made therein or in any other agreement, instrument, or document, shall refer to the Agreement as amended herein.

IN WITNESS WHEREOF, BCBSRI and INSURED have executed this Amendment.

CITY OF PROVIDENCE

Blue Cross & Blue Shield of Rhode Island

By: 

By: 

Print Name: James O. Elorza

Print Name: Melissa B. Cummings

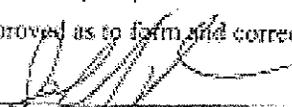
Title: Mayor of Providence

Title: Senior Vice President & Chief Customer Officer

Date: 11/19/15

Date: 12/4/2015

Approved as to form and correctness:


Jeffrey Diaz, City Auditor

Date BCBSRI Issued: November 12, 2015

CITY OF PROVIDENCE STOP-LOSS MEDICAL ONLY AGREEMENT

This Stop-Loss Medical Only Agreement (the "Agreement") is made and entered into on the latest date and year set forth below by and between Blue Cross & Blue Shield of Rhode Island, the stop-loss insurer and a Rhode Island nonprofit hospital and medical service corporation ("BCBSRI"), and CITY OF PROVIDENCE ("INSURED"). This Agreement sets forth the terms upon which BCBSRI provides Stop-Loss Insurance Coverage (as hereafter defined) to INSURED.

IN WITNESS WHEREOF, the Parties hereto by their respective duly authorized officers have executed this Agreement in duplicate as of the dates below:

BLUE CROSS & BLUE SHIELD OF RHODE ISLAND	CITY OF PROVIDENCE
By: <u><i>Shanna Marzilli</i></u> Authorized Signature	By: <u><i>Angel Taveras</i></u> Authorized Signature
Print Name: <u>Shanna Marzilli</u>	Print Name: <u>Angel Taveras</u>
Title: <u>Chief Marketing Officer</u>	Title: <u>Mayor</u>
Address: <u>Blue Cross & Blue Shield of Rhode Island</u>	Address: <u>25 Donraux Street</u>
<u>500 Exchange Street</u>	<u>Providence, RI 02903</u>
<u>Providence, RI 02903</u>	
Date: <u>4/12/12</u>	Date: <u>4/11/12</u>

Approved as to form and correctness:

Jeffrey M. Padwa
Jeffrey M. Padwa, City Solicitor

Date Final Copy Issued: March 13, 2012

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RECITALS

- A. INSURED has entered into a contract with BCBSRI to arrange for the administration of its self-funded health plan by BCBSRI (the "Cost Plus Medical Only Agreement").
- B. INSURED has entered into a separate contract with Caremark whereby Caremark provides and/or administers the self-funded prescription drug coverage for certain employees of INSURED (hereinafter referred to as the "Prescription Drug Agreement").
- C. BCBSRI offers Stop-Loss Insurance Coverage, as authorized by R.I. Gen. Laws § 27-19-5, to self-funded health plans that purchase administrative services from BCBSRI.
- D. INSURED wishes to obtain Stop-Loss Insurance Coverage from BCBSRI solely for the benefit of the INSURED with respect to INSURED's costs in providing or arranging for the delivery of Health Services to Enrolled Members enrolled under Benefit Documents, as those terms are defined herein, in its self-funded health plan.

1. DEFINITIONS.

- 1.1. "Benefit Accumulation Period" means the period of time during which Health Services must be Incurred by an Enrolled Member and paid for by INSURED to be eligible for reimbursement under this Agreement. This period does not alter the Effective Date or Term of this Agreement.
- 1.2. "Benefit Document(s)" shall mean the benefit booklet(s) which describes the Health Services covered by the INSURED for an Enrolled Member of INSURED during a Rate Year, as specified in the Cost Plus Medical Only Agreement and the Prescription Drug Agreement.
- 1.3. "Cost Plus Medical Only Agreement" shall have the meaning set forth in the recitals hereto.
- 1.4. "Effective Date" shall have the meaning set forth in Section 6.1.
- 1.5. "Enrolled Member" shall mean any contract holder, enrollee or eligible dependent who is enrolled and eligible to receive Health Services under a Benefit Document.
- 1.6. "Grace Period" shall have the meaning set forth in Section 0.
- 1.7. "Health Services" shall mean those medical services, including prescription drugs, covered by INSURED under the Benefit Documents.
- 1.8. "HIPAA" shall mean the Health Insurance Portability and Accountability Act of 1996 and its implementing regulations, as amended from time to time.
- 1.9. "Incurred" shall have the meaning set forth in Section 1.11.

1.10. "Insolvent" or "Insolvency" shall mean as to either Party:

- a. the entry of an order for relief under Title 11, United States Code (the "Bankruptcy Code") or the commencement of a voluntary case under the Bankruptcy Code or consent to the entry of an order for relief in any involuntary case under the Bankruptcy Code or the commencement of any receivership, Insolvency or similar proceeding or entry by a court of competent jurisdiction of any similar order under any applicable bankruptcy, Insolvency or other similar law now or hereinafter in effect in the United States, any state thereof or any other jurisdiction; or
- b. the appointment by any court of competent jurisdiction of a receiver, or trustee, liquidator, sequestrator, custodian or other officer having similar powers for such Party or of all or any substantial part of its property; or
- c. the commencement of an involuntary case under the Bankruptcy Code or any applicable bankruptcy, Insolvency or other similar law now or hereinafter in effect in the United States, any state thereof or any other jurisdiction and continuation of such case for 60 days without dismissal.

1.11. "Loss" or "Losses" shall mean such dollar amounts as are actually paid by INSURED for Health Services provided to an Enrolled Member during the Benefit Accumulation Period or paid pursuant to Section 2.2 in accordance with the terms and limitations of the applicable Benefit Document. A Loss shall be deemed to be Incurred on (i) the date of admission to the hospital as an inpatient for inpatient hospital Health Services or (ii) the date of service for all other Health Services.

1.12. "Party" or "Parties" shall mean BCBSRI and/or INSURED.

1.13. "Premium" shall mean the amount paid by INSURED to BCBSRI on a monthly basis for Stop-Loss Insurance Coverage of Health Services.

1.14. "Rate Year(s)" shall have the meaning set forth in Section 6.1 hereof.

1.15. "Specific Deductible" shall mean the dollar amount of Losses per Enrolled Member over which Specific Stop-Loss reimbursement shall be paid, subject to the terms of this Agreement and any limitation on payment, including but not limited to any Specific Stop-Loss Maximum.

1.16. "Specific Stop-Loss Maximum" means the maximum amount of reimbursement provided under Exhibit A of this Agreement for Specific Stop-Loss Insurance Coverage.

1.17. "Stop-Loss Insurance Coverage" shall mean insurance coverage that reimburses INSURED's Losses at an agreed-upon point as set forth in Section 2.1 up to an agreed-upon maximum.

1.18. "Subscriber" means an eligible employee who is also an Enrolled Member.

1.19. "Successor" shall have the meaning set forth in Section 9.1.1.

1.20. "Term" shall have the meaning set forth in Section 6.1.

2. STOP-LOSS INSURANCE COVERAGE

2.1. BCBSRI shall reimburse INSURED for such Losses that INSURED is legally obligated to pay under the Benefit Document subject to and in accordance with the coverage terms set forth in Exhibit A. BCBSRI shall have the right to amend such coverage terms set forth in Exhibit A in the case of material changes to the Benefit Document, providing such changes are agreed to by the Parties in writing. Whenever possible, BCBSRI will reimburse INSURED by providing an offset to amounts due from INSURED pursuant to the Cost Plus Medical Only Agreement. Any such offset shall be specifically identified by BCBSRI in writing.

2.2. Except as expressly stated herein, in no event shall BCBSRI be liable to INSURED for any Losses after the Benefit Accumulation Period; provided, however, that in the case of an appeal of a denial of coverage that is filed by an Enrolled Member or his/her designee or coordination of benefits, BCBSRI shall be liable to INSURED for any covered Losses that are paid by the INSURED for Health Services within one-hundred and eighty (180) days after the Benefit Accumulation Period.

2.3. In the event that a Loss is not actually paid by INSURED during the Benefit Accumulation Period and such failure to pay is the result of BCBSRI's action or failure to act pursuant to the Cost Plus Agreement, BCBSRI shall be liable to INSURED for such incurred but unpaid Loss.

3. LIMITATIONS OF STOP-LOSS INSURANCE COVERAGE

3.1. BCBSRI's liability to insure Losses to INSURED pursuant to this Agreement shall not exceed the Specific Stop-Loss Maximum.

3.2. This is an Agreement for Stop-Loss Insurance Coverage and is solely between BCBSRI and INSURED. Nothing in this Agreement shall create any right or legal contractual relationship between BCBSRI, any Enrolled Member, or other third party.

3.3. BCBSRI shall not have any responsibility or obligation to provide any direct services or pay expenses to any Enrolled Member of INSURED under this Agreement. Furthermore, BCBSRI shall not provide any benefits to any Enrolled Member of INSURED under this Agreement.

3.4. BCBSRI shall not be liable to INSURED and INSURED shall not be covered for any of the following:

3.4.1. liability for any act of willful misconduct in connection with any Health Services rendered to any person or persons by INSURED or any INSURED, entity or person employed by or under contract with INSURED;

3.4.2. liability for any expense (including attorneys fees and other legal expenses),

punitive, consequential, exemplary, or compensatory damages or any other extra-contractual damages awarded to any Enrolled Member arising out of the conduct of INSURED's investigation, adjudication, trial or settlement of any claim or failure to pay or delay in payment of any claim or benefits or rendering of any services under its Benefit Documents, or any statutory or regulatory penalty imposed upon INSURED on account of any unfair trade practice or any unfair claim practice or other violations of law (collectively, "Penalties"); provided, however, that such Penalties shall not, and shall not be construed or interpreted as "Losses" or a "Loss" for purposes of this Agreement, meaning, for example and avoidance of doubt, that other than with respect to Penalties BCBSRI's obligation to reimburse INSURED for Losses pursuant to Section 2 of this Agreement shall not be affected by this Section 3.4.2.;

3.4.3. liability assumed by INSURED in excess of INSURED's Benefit Document(s), including liability under any contract other than INSURED's Benefit Document(s);

3.4.4. liability for Losses that are recovered under the coordination of benefits provision of the Benefit Document(s);

3.4.5. expenses or Losses which INSURED has paid as settlement, whereby INSURED released any persons or entity from its legal liability;

3.4.6. liability as a result of sickness or accidental injury not specifically covered by the Benefit Documents, unless notice has been provided to BCBSRI in accordance with Article 10.4 and BCBSRI has specifically agreed in writing to provide coverage for such Loss;

3.4.7. liability for Losses due to occupational accidents or illnesses;

3.4.8. liability for payments INSURED makes which are covered under any provisions of any other insurance or stop-loss policy up to that amount paid for by such coverage; or

3.4.9. damages, actions or claims made against BCBSRI and caused by INSURED's acts or omissions in administering INSURED's Benefit Documents.

4. PREMIUM PAYMENT

4.1. The Premium and group listing for the Stop-Loss Insurance Coverage provided by BCBSRI under this Agreement shall be as set forth on Exhibit B.

4.2. Premiums shall be payable by INSURED to BCBSRI on a monthly basis.

4.3. Premiums shall be payable by INSURED to BCBSRI by the first day of each month for which Stop-Loss Insurance Coverage shall be provided under this Agreement. Premiums paid by INSURED to BCBSRI shall be adjusted retroactively based on enrollment.

4.3.1. Late Payment Charge; Grace Period. BCBSRI agrees to waive late payment charges, providing INSURED remits Covered Claims payment via BCBSRI-initiated ACH debit. INSURED shall pay all costs of collection incurred by BCBSRI in recovering

unpaid amounts including reasonable attorneys' fees. BCBSRI reserves the right to use any amount payable from BCBSRI to INSURED to offset past due amounts. INSURED shall have a thirty-one (31) day grace period from the Premium due date set forth in Section 4.3.1 ("Grace Period") before this Agreement may be terminated for non-payment in accordance with Section 6.1.3.

4.4. BCBSRI may adjust Premium rates in the case of: (i) any changes to terms of this Agreement in writing and signed by the Parties; (ii) addition or deletion of a subsidiary or affiliated companies of INSURED, with BCBSRI approval; (iii) annual renewal of this Agreement; (iv) a fifteen percent (15%) growth or reduction in the size of INSURED's Subscribers during the Term or subsequent Rate Year; or (v) changes to Benefit Documents that impacts the cost of administration, providing such changes are agreed to by the Parties in writing.

5. ACCOUNTING OF LOSSES

5.1. BCBSRI shall keep an accounting of Losses, for both Losses per Enrolled Member and aggregate Losses for all Enrolled Members. BCBSRI shall reimburse INSURED's eligible Losses following payment by the INSURED (or other appropriate party) of all applicable Specific Deductibles and other amounts required to be paid, as set forth in Section 2 and Exhibit A.

5.2. BCBSRI shall reimburse INSURED for covered Losses promptly following BCBSRI's knowledge of the Loss.

5.3. BCBSRI shall provide INSURED with reporting, in a format and with content determined by BCBSRI and agreed to by the Parties in writing, to reflect the point at which Losses during the Benefit Accumulation Period are at fifty percent (50%) of the Specific Deductible. Once Losses during the Benefit Accumulation Period meet or exceed the Specific Deductible, reporting will be provided on a monthly basis, in a format and with content determined by BCBSRI, to reflect such Losses.

6. TERM AND TERMINATION

6.1. The Agreement shall have an initial term of thirty months, beginning at 12:01 a.m. Eastern Standard Time on January 1, 2010 ("Effective Date") and shall be in full force and effect through 12:00 midnight Eastern Standard Time on June 30, 2012 ("Term"), subject to termination as hereinafter provided. At the end of the initial Term, the Agreement may be renewed for successive twelve (12) month periods ("Rate Year(s)") upon mutual agreement of the Parties, unless terminated in accordance with the terms of the Agreement. The financial terms for each subsequent Rate Year hereunder shall change at the beginning of each Rate Year in accordance with a written agreement signed by the Parties. Any such change to the financial terms of this Agreement including but not limited to (a) Premiums, as set forth in Exhibit B, and (b) any Specific Deductibles, including any specific deductibles for high risk (high risk being defined by the Parties), for Enrolled Members, as set forth in Exhibit A, shall be communicated to INSURED in a writing approved by an officer of BCBSRI and signed by the Parties hereto, which writing shall constitute an amendment to this Agreement. During subsequent Rate Years,

the Agreement and all of its terms and conditions shall remain in full force and effect, except as otherwise amended or modified in writing. This Agreement requires thirty-one (31) days of written notice to extend past the Term or any subsequent Rate Year.

6.1.1. BCBSRI shall have the right to terminate this Agreement simultaneously with the cancellation, expiration or termination date of the Benefit Document(s). In the event of termination of this Agreement in accordance with this Section 6.1.1, the provisions of this Agreement shall continue to apply to all covered Losses Incurred during the Term and any subsequent Rate Year. Notwithstanding the foregoing, in the event the INSURED has more than one Benefit Document(s) in effect during a Rate Year, one or more of which continues in effect, this Agreement shall terminate only with respect to the canceled, expired, or terminated Benefit Document(s). In the event of any such termination, this Agreement and all of its terms and conditions shall remain in full force and effect for Losses Incurred under the remaining Benefit Document(s).

6.1.2. This Agreement shall terminate simultaneously with the termination of the Cost Plus Medical Only Agreement between BCBSRI and INSURED; provided, however, in the event this Agreement terminates during the Term or any subsequent Rate Year INSURED understands and agrees that the period of time for covered Losses paid for by INSURED during the Benefit Accumulation Period will be reduced to twelve (12) months after the date of termination of this Agreement.

6.1.3. If payment for any Premium is not received by BCBSRI from INSURED as specified in Section 4.3, this Agreement shall terminate automatically effective the last day of the Grace Period upon two (2) business days' written notice to the INSURED. BCBSRI may, at its sole discretion, waive the automatic termination.

6.1.4. INSURED and BCBSRI each shall have the right to terminate this Agreement, with or without cause, on any anniversary of the Effective Date of the Agreement by giving the other Party written notice of such intention to terminate at least thirty-one (31) days prior to the anniversary date of this Agreement.

6.1.5. INSURED and BCBSRI each shall have the right to terminate this Agreement in the event the other Party becomes Insolvent by giving the other Party written notice of termination.

6.1.6. INSURED and BCBSRI may terminate this Agreement at any time by mutual agreement.

6.2. Termination of this Agreement shall not terminate the rights or liabilities of either INSURED or BCBSRI arising during any period when this Agreement was in force and effect, provided that nothing herein shall be construed to extend BCBSRI's liability for reimbursements under this Agreement for any Loss Incurred by INSURED on or after the date of termination of this Agreement.

BCBSRI shall have the right to terminate this Agreement simultaneously with the cancellation, expiration or termination date of the Benefit Document(s). In the event of termination of this Agreement in accordance with this Section 6.1.1, the provisions of this Agreement shall continue

to apply to all covered Losses Incurred during the Term and any subsequent Rate Year. Notwithstanding the foregoing, in the event the INSURED has more than one Benefit Document(s) in effect during a Rate Year, one or more of which continues in effect, this Agreement shall terminate only with respect to the canceled, expired, or terminated Benefit Document(s). In the event of any such termination, this Agreement and all of its terms and conditions shall remain in full force and effect for Losses Incurred under the remaining Benefit Document(s).

7. REPORTS, RECORDS AND AUDITS

7.1. INSURED's books and records relating to Stop-Loss Insurance Coverage under this Agreement, to the extent permitted by law, shall be made available to BCBSRI and its authorized representatives for inspection and audit during normal business hours, upon ten (10) days written notice to INSURED by BCBSRI, on a date and time mutually agreed to by the Parties hereto, but no more often than once a quarter. INSURED's books and records shall be maintained and preserved by INSURED and available to BCBSRI, for a period of five (5) years after the date such record is created for each applicable record.

7.2. The Parties recognize a Cost Plus Agreement is currently in effect between BCBSRI and INSURED and a Prescription Drug Agreement is in effect between CVS Caremark and INSURED. Information received by BCBSRI for administration of claims under the Cost Plus Agreement and/or Prescription Drug Agreement may be used for purposes of this Agreement. Any additional information necessary for the administration of Stop-Loss Insurance Coverage under this Agreement shall be provided by INSURED to BCBSRI in a timely manner upon request by BCBSRI. The Parties also recognize that they have entered into a HIPAA business associate agreement in connection with services provided under such Cost Plus Agreement. For purposes of this Agreement, the relationship is one of insurer and INSURED and the provisions of the business associate agreement shall not apply to information received by BCBSRI as the provider of Stop-Loss Insurance Coverage except as otherwise required by law.

7.3. All information disclosed to BCBSRI by INSURED or its agent, either in the course of conducting negotiations or as the result of complying with the terms and conditions of this Agreement, shall be considered to be privileged and confidential information and shall not be disclosed without written consent of INSURED; provided, however, BCBSRI may submit this Agreement or other information related thereto: i) the Rhode Island Office of Health Insurance Commissioner or other appropriate state regulatory authority or court having jurisdiction over the matter in the event of a market conduct study, the enforcement of BCBSRI's rights and responsibilities under this Agreement, or as otherwise required by law; or ii) any party providing services or advice to BCBSRI as long as such party agrees to be bound by the provisions of this Section 7.3 and such party agrees to abide by any and all applicable conflict of interest laws, rules and/or regulations.

7.4. All information disclosed to INSURED or its agent by BCBSRI, either in the course of conducting negotiations or as the result of complying with the terms and conditions of this Agreement shall be considered to be privileged and confidential information and shall not be disclosed without written consent of BCBSRI, except (i) to INSURED's auditors, attorneys, and/or consultants engaged for the purpose of providing legal services, conducting financial

audits, management audits, program evaluations, actuarial or similar studies and as required by applicable law or judicial process, or (ii) the enforcement of INSURED's rights and responsibilities under this agreement, or as otherwise required by law, including the Open Records Act, so-called, and the Access to Public Records Act, so-called, or (iii) any party providing services or advice to INSURED as long as such party agrees to be bound by the provisions of this Section 7.4.

8. ARBITRATION

8.1. In the event of any dispute or disagreement between the Parties with respect to this Agreement, the Parties shall make a good faith effort to resolve the dispute within thirty (30) days of written notice by either Party requesting a meeting to resolve the dispute. If the Parties are unable to resolve the dispute within thirty (30) days, unless otherwise agreed to by the Parties, the Parties agree to engage in mediation of the dispute in Providence, Rhode Island by an independent and neutral person qualified to act as a mediator. If the Parties are unable to reach a mutually acceptable resolution to the dispute within thirty (30) days following an initial mediation conference, or within sixty (60) days following the written request for mediation, the Parties agree that the matter may, upon written agreement, be submitted to arbitration in Providence by three (3) impartial arbitrators, who shall be experienced in mediation and arbitration and knowledgeable regarding insurance and reinsurance business, one to be chosen by each Party and the third by the two so chosen. If not submitted to arbitration upon written agreement, each Party submits to the jurisdiction of the courts situated in Providence County, State of Rhode Island.

8.2. If submitted to arbitration upon written agreement of the Parties, the dispute shall be settled in accordance with rules established by the American Arbitration Association, and the decision of the arbitrators shall be final and binding. The arbitrators shall consider this Agreement an honorable engagement rather than merely a legal obligation and may consider the use and custom of the reinsurance industry. The arbitrators are relieved of all judicial formalities and may abstain from following the strict rules of law. If the Parties are found by the arbitrators to have acted in good faith, both Parties shall equally share in the expenses and fees of the arbitration. However, if one Party is found not to have acted in good faith, which Party alone will bear the expenses and fees of the arbitration, including attorneys' fees for both Parties. If the taking of evidence before the arbitrators does not commence within six (6) months following the written demand for arbitration, the Party demanding arbitration shall be able to pursue all legal remedies, including without limitation bringing an action regarding the dispute in a court of law.

8.3. If submitted to arbitration upon written agreement of the Parties, the arbitration shall be governed by the United States Arbitration Act, 9 USC §1 et. seq. and judgment upon the award rendered by the arbitrators may be entered and enforced by any court having jurisdiction over the subject matter. Arbitrators shall not be empowered to award damages in excess of compensatory damages and each Party hereby irrevocably waives any damages in excess of compensatory damages.

9. INSOLVENCY

9.1. Termination Due to Insolvency. In the event of termination of this Agreement due to Insolvency of INSURED, the following rules shall apply for purposes of Losses Incurred prior to the date of termination:

9.1.1. BCBSRI shall have no obligation with respect to administration of INSURED benefits or for making any direct payments to any party other than INSURED or its liquidator, receiver, rehabilitator, trustee, administrator or other statutory successor (collectively referred to as "Successor"). BCBSRI will make payments directly to INSURED or its Successor, with reasonable provisions for verification, without diminution because of the Insolvency of INSURED. INSURED or its Successor will cooperate with BCBSRI in providing full access to INSURED records and personnel to enable BCBSRI to reasonably determine its obligations. BCBSRI's costs relating hereto shall be reimbursable by INSURED.

9.1.2. INSURED or its Successor shall give written notice to BCBSRI of the pendency of any claims against Insolvent INSURED for which BCBSRI may be liable hereunder within a reasonable time after such claims are presented to INSURED or its Successor or when such claims are filed in an Insolvency proceeding. BCBSRI may investigate such claims and interpose in the proceeding where such claims are to be adjudicated, any defense or defenses which it may deem available to INSURED or its Successor. As soon as practicable after such time as INSURED may become Insolvent, INSURED or its Successor shall take any and all steps necessary to obtain any court approval which may be required to permit expenses incurred by BCBSRI hereto to be allowed as a claim or otherwise chargeable against Insolvent INSURED as part of the expenses of liquidation or rehabilitation. If no such court approval is required, such expenses shall automatically become chargeable as expenses of liquidation or rehabilitation entitled to such priority as may attach as a matter of applicable law. Nothing contained herein requires BCBSRI to take such actions, and BCBSRI's right to investigate claims and interpose in any proceeding as described herein remain limited to INSURED's obligations under the Benefit Documents, INSURED's arrangements with health care providers, if any, and the terms of this Agreement.

9.1.3. Notice of INSURED's or BCBSRI's date of Insolvency or date of cessation of operations shall be communicated to the other Party at the earliest possible point in time.

9.1.4. INSURED or BCBSRI shall notify the other Party immediately of the pendency of action which may lead to Insolvency or any intentions the organization may have of ceasing operation.

10. MISCELLANEOUS

10.1. Assignment. Neither Party may assign this Agreement, in whole or in part, without the prior written consent of the other Party, provided that such consent shall not be unreasonably withheld.

10.2. Blue Cross and Blue Shield Association. INSURED expressly acknowledges the understanding that this Agreement constitutes an agreement between INSURED and BCBSRI

and that BCBSRI is an independent corporation operating under a license from the Blue Cross and Blue Shield Association, an association of independent Blue Cross and Blue Shield plans. The Blue Cross and Blue Shield Association permits BCBSRI to use the Blue Cross and Blue Shield service marks in the State of Rhode Island, and BCBSRI is not contracting as the agent of the Blue Cross and Blue Shield Association. INSURED further acknowledges and agrees that it has not entered into this Agreement based upon representations by any person other than BCBSRI, and that no person, entity, or organization other than BCBSRI, shall be held accountable or liable to INSURED for any of BCBSRI's obligations to INSURED created under this Agreement. This paragraph shall not create any additional obligations whatsoever on the part of BCBSRI other than those obligations created under other provisions of this Agreement.

10.3. Subrogation. If any payment is made by BCBSRI under this Agreement, BCBSRI shall be subrogated to all of INSURED's right to recover such payment against any Enrolled Member, person, organization, or third party. INSURED shall execute and deliver instruments and do whatever is necessary to preserve and secure such right, but in case INSURED shall refuse or neglect to do so, BCBSRI is hereby authorized and empowered to bring any appropriate actions in the name of the INSURED or Enrolled Member. INSURED shall promptly notify BCBSRI of any Loss in which there is a likelihood of recovery from a third party. Any recovery made by INSURED shall be reimbursed to BCBSRI to the extent of the amount of payment by or the amount of liability to BCBSRI. In the event any recovery made by INSURED or BCBSRI pursuant to this section is less than the total amount paid by both Parties, the amount recovered shall be shared proportionately to the amount paid by each Party.

10.4. Entire Agreement. This Agreement shall constitute the entire agreement between the Parties with respect to the provision of Stop-Loss Insurance Coverage by BCBSRI to the INSURED, and there are no understandings between the Parties with respect to Stop-Loss Insurance Coverage other than as expressed in the Agreement. No change in this Agreement shall be valid until approved in writing by each Party. All attachments to the Agreement, whether described as an exhibit, endorsement, schedule, addendum or otherwise, are incorporated by reference. Any conflict between the terms contained in the body of the Agreement and such attachment will be governed by the terms contained in the body of the Agreement, except as specifically provided otherwise.

10.5. Notices. All notices required to be given hereunder shall be in writing. Notices shall be deemed sufficiently given if delivered or mailed by postage-prepaid certified mail or overnight carrier, return receipt requested. The notice shall be effective on the date indicated on the return receipt. Any Notice required to be given by INSURED under this Agreement shall be sent to the BCBSRI signatory and address shown on the cover page of this Agreement. Any notice required to be given to INSURED by BCBSRI under this Agreement shall be sent to:

- 1) Director of Human Resources
City of Providence
25 Dorrance Street
Providence, RI 02903
- 2) Director of Employee Benefits
City of Providence

25 Dorrance Street
Providence, RI 02903

- 3) City Solicitor, City of Providence
City Solicitor's Office
444 Westminster Street
Providence, RI 02903

Either Party may change the notice persons and addresses by sending the change in writing to the other Party.

10.6. Governing Law. This Agreement shall be governed by, interpreted and construed in accordance with the State of Rhode Island. The Agreement shall be subject to applicable federal laws, rules, and regulations.

10.7. Waiver. The waiver by either Party of a failure to strictly perform any provision of the Agreement is not a waiver of future performance/breach.

10.8. Error or Omissions. Any accidental error or omission made in connection with this Agreement shall not relieve either Party of any liability, provided such error or omission is rectified as soon after discovery as possible.

10.9. Severability. If any provision or provisions of this Agreement shall be held to be illegal, invalid or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby; provided, however, that in the event such remaining provisions are inadequate to permit each Party to realize the material benefits for which it has bargained, then BCBSRI and INSURED shall, in good faith, negotiate mutually acceptable substitute provisions which are valid, legal and enforceable and which most nearly provide for the material benefits sought to be accomplished by the provision or provisions held to be illegal, invalid or unenforceable.

10.10. No Third Party Beneficiaries. Nothing express or implied in this Agreement is intended or shall be deemed to confer upon any person other than BCBSRI, INSURED, and their respective successors and assigns, any rights, obligations, remedies or liabilities.

10.11. Survival. In addition to survival provisions provided elsewhere in this Agreement, Sections 3.4, 7, 8, 9, 10.2, 10.3, 10.6, and 10.11 of this Agreement, and obligations arising under this Agreement prior to the effective date of any termination, shall survive termination.

[Remainder of page intentionally left blank.]

CITY OF PROVIDENCE

EXHIBIT A Coverage Terms

Subject to the provisions of the Agreement, specifically referencing Section 2 hereof, BCBSRI agrees to reimburse INSURED for INSURED's liability for Losses under the Benefit Document(s), for the initial Term of this Agreement as set forth below:

Benefit Accumulation Periods	Specific Stop-Loss		
	Specific Deductible	Specific Stop-Loss Maximum:	Specific Stop-Loss Insurance Coverage
1: Losses Incurred from January 1, 2010 through December 31, 2010 and paid from January 1, 2010 through December 31, 2011.	\$500,000 (per Enrolled Member, per Benefit Accumulation Period)	\$4,500,000 (per Enrolled Member, per Benefit Accumulation Period)	100% of Losses in excess of the Specific Deductible will be reimbursed up to the Specific Stop-Loss Maximum
2: Losses Incurred from January 1, 2011 through June 30, 2011 and paid from January 1, 2011 through June 30, 2012.	\$500,000 (per Enrolled Member, per Benefit Accumulation Period)	\$4,500,000 (per Enrolled Member, per Benefit Accumulation Period)	100% of Losses in excess of the Specific Deductible will be reimbursed up to the Specific Stop-Loss Maximum
3: Losses incurred from July 1, 2011 through June 30, 2012 and paid July 1, 2011 through June 30, 2013.	\$500,000 (per Enrolled Member, per Benefit Accumulation Period)	Unlimited	100% of Losses in excess of the Specific Deductible will be reimbursed up to the Specific Stop-Loss Maximum

CITY OF PROVIDENCE

EXHIBIT B

Premium Payments

Monthly Per Subscriber Charges for the initial Term shall be:

Effective Dates	Group Numbers	Specific Stop-Loss Cost Per Subscriber
January 1, 2010 through December 31, 2010	251; 4H75; 4L74; 5D05; 5H52; 5H54; 5M22; 6L61; C; CCC1; CCC1A; CITY; CP1; CP2; CP4; CP4R; CPC1; CPC1C; CPC1CM; CPM; M4H75; MSD05; MSM22; MC; MCCC1; MCITY; MCP1; MCPC1; MPF1; MPFC1; MPT2; MPT7; MPT8; MPT9; P6L61; PF1; PF2; PF3; PFC1; PR2; PR3; PR4; PR4X; PRP; PRPE; PT10; PT11; PT2; PT3; PT4; PT5; PT7; PT8; PT9; PW2; PWSM; RCPM; RPWSM; CCOBRA; FCOBRA; PCOBRA; ACOBRA; TCOBRA; BCOBRA; SCOBRA	\$10.92
January 1, 2011 through June 30, 2011	251; 4H75; 4L74; 5D05; 5H52; 5H54; 5M22; 6L61; C; CCC1; CCC1A; CITY; CP1; CP2; CP4; CP4R; CPC1; CPC1C; CPC1CM; CPM; M4H75; MSD05; MSM22; MC; MCCC1; MCITY; MCP1; MCPC1; MPF1; MPFC1; MPT2; MPT7; MPT8; MPT9; P6L61; PF1; PF2; PF3; PFC1; PR2; PR3; PR4; PR4X; PRP; PRPE; PT10; PT11; PT2; PT3; PT4; PT5; PT7; PT8; PT9; PW2; PWSM; RCPM; RPWSM; CCOBRA; FCOBRA; PCOBRA; ACOBRA; TCOBRA; BCOBRA; SCOBRA	\$12.39
July 1, 2011 through June 30, 2012	251; 4H75; 4L74; 5D05; 5H52; 5H54; 5M22; 6L61; C; CCC1; CCC1A; CITY; CP1; CP2; CP4; CP4R; CPC1; CPC1C; CPC1CM; CPM; M4H75; MSD05; MSM22; MC; MCCC1; MCITY; MCP1; MCPC1; MPF1; MPFC1; MPT2; MPT7; MPT8; MPT9; P6L61; PF1; PF2; PF3; PFC1; PR2; PR3; PR4; PR4X; PRP; PRPE; PT10; PT11; PT2; PT3; PT4; PT5; PT7; PT8; PT9; PW2; PWSM; RCPM; RPWSM; 1F413, 1F414, 1F415, 1F416, 1F417, 1F418, 1F419, 1F420, 1F421, 1F422, 1F423, 1F424, 1F425, 1F426, 1F427, 1F428, 1F429, 1F440, 1F441, 1F442, 1F443, 1F444, 1F445, 1F446, 1F447, 1F448, 1F449, 1F450, 1F451, 1F452, 1F453, 1F454, 1F455, 1F456, 1F457, 1F458, 1F459, 1F461, 1F462, 1F463, 1F464, 1F465, 1F466, 1F467, 1F468	\$13.23

Blue Cross & Blue Shield of Rhode Island

Stop Loss Amendment – Work Related Injury

July 1, 2015 through June 30, 2016

**STOP-LOSS WORK RELATED INJURY AMENDMENT
CITY OF PROVIDENCE
BLUE CROSS & BLUE SHIELD OF RHODE ISLAND
EFFECTIVE JULY 1, 2015 through JUNE 30, 2016**

CITY OF PROVIDENCE hereby accepts the following Premiums and Stop-Loss coverage for the periods stated below. CITY OF PROVIDENCE understands that BCBSRI may adjust these rates in accordance with Section 4.4 of the Stop-Loss Work Related Injury Agreement between the Parties. This document shall serve as an amendment to the existing fully executed Stop-Loss Work Related Injury Agreement.

Benefit Accumulation Period:	
Losses Incurred From and Paid From	July 1, 2015 through July 1, 2015 through June 30, 2016 through June 30, 2017
Specific Stop-Loss	
Specific Deductible	\$500,000 (per Enrolled Member, per Benefit Accumulation Period)
Specific Stop-Loss Maximum	\$4,500,000 (per Enrolled Member, per Benefit Accumulation Period)
Specific Stop-Loss Coverage: 100% of Losses in excess of the Specific Deductible will be reimbursed up to the Specific Stop-Loss Maximum.	
Monthly Per Subscriber Charges Effective July 1, 2015 through June 30, 2016 shall be:	
	Cost Per Subscriber
Specific Stop-Loss	\$1.63
Total Monthly Per-Subscriber Charges	\$1.63

Except as expressly amended by this Amendment, the Agreement shall remain in full force and effect and is hereby in all respects ratified, adapted, and confirmed. From and after the date hereof, any reference to the Agreement, whether made therein or in any other agreement, instrument, or document, shall refer to the Agreement as amended herein.

CITY OF PROVIDENCE

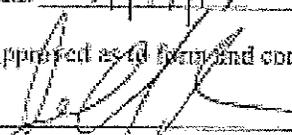
By: 

Print Name: Eugene C. Elerzi

Title: Mayor of Providence

Date: 11/19/15

Approved as to form and correctness:


Jeffrey Davis, City Solicitor

Blue Cross & Blue Shield of Rhode Island

By: 

Print Name: Melissa B. Cummings

Title: Senior Vice President & Chief Customer Officer

Date: 12/4/15

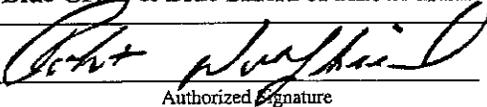
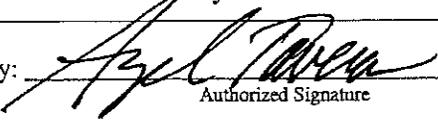
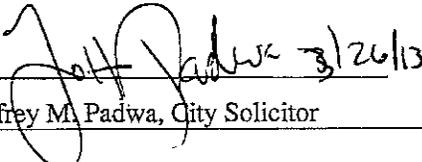
Date BCBSRI Issued: November 12, 2015

CITY OF PROVIDENCE

STOP-LOSS WORK RELATED INJURY AGREEMENT

This Stop-Loss Work Related Injury Agreement (the "Agreement") is made and entered into on the latest date and year set forth below by and between Blue Cross & Blue Shield of Rhode Island, the stop-loss insurer and a Rhode Island nonprofit hospital and medical service corporation ("BCBSRI"), and CITY OF PROVIDENCE (herein after referred to as the "INSURED.") This Agreement sets forth the terms upon which BCBSRI provides Work Related Injury Stop-Loss Insurance Coverage (as herein after defined) to INSURED.

IN WITNESS WHEREOF, the Parties hereto by their respective duly authorized officers have executed this Agreement.

Blue Cross & Blue Shield of Rhode Island	City of Providence
By:  Authorized Signature	By:  Authorized Signature
Print Name: <u>Robert Wolfkil</u>	Print Name: <u>Angel Taveras</u>
Title: <u>VP + Chief Sales Officer</u>	Title: <u>Mayor of Providence</u>
Address: <u>Blue Cross & Blue Shield of Rhode Island</u>	Address: <u>25 Dorrance Street</u>
<u>500 Exchange Street</u>	<u>City Hall</u>
<u>Providence, RI 02903</u>	<u>Providence, RI 02903</u>
Date: <u>3/29/2013</u>	Date: <u>3/27/13</u>
	Approved as to form and correctness:  Jeffrey M. Padwa, City Solicitor

Date Issued: As of January 1, 2010
Revised February 11, 2011
Revised: March 14, 2013

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RECITALS

- A. INSURED has entered into a separate contract with BCBSRI whereby BCBSRI administers the self-funded health care plans for certain employees of INSURED, which agreement does not cover work related injuries (hereinafter referred to as the "Cost Plus Medical Only Agreement").
- B. INSURED has entered into a separate contract with Caremark whereby Caremark provides and/or administers the self-funded prescription drug coverage for certain employees of INSURED, which agreement does not cover prescription drugs for work related injuries (hereinafter referred to as the "Prescription Drug Agreement").
- C. INSURED has entered into a separate contract with BCBSRI to provide Stop-Loss Insurance Coverage from BCBSRI solely for the benefit of the INSURED with respect to INSURED's costs in providing or arranging for the delivery of Health Services provided under the Cost Plus Medical Only Agreement to employee of the INSURED (the "Medical Stop-Loss Agreement").
- D. INSURED has entered into a separate contract with BCBSRI whereby BCBSRI administers the self-funded work related injury coverage together with the performance of certain services with respect to work related injuries incurred by Eligible Employees (the "Cost Plus Work Related Injury Agreement").
- E. INSURED wishes to obtain Work Related Injury Stop-Loss Insurance Coverage from BCBSRI solely for the benefit of the INSURED with respect to INSURED's costs in providing or arranging for the delivery of Cost Plus Work Related Injury Health Services covered under the Cost Plus Work Related Injury Agreement and incurred by Eligible Employees (the "Agreement").
- F. BCBSRI offers Stop-Loss Insurance Coverage, as authorized by R.I. Gen. Laws § 27-19-5, to self-funded health plans that purchase administrative services from BCBSRI.

1. DEFINITIONS.

- 1.1. "Benefit Accumulation Period" means the period of time during which Work Related Injury Health Services must be Incurred by an Eligible Employee and paid for by INSURED to be eligible for reimbursement under this Agreement. This period does not alter the Effective Date or Term of this Agreement.
- 1.2. "Covered WRI Claims" has the same meaning as set forth in the Cost Plus Work Related Injury Agreement.
- 1.3. "Effective Date" has the meaning set forth in Section 6.1.
- 1.4. "Eligible Employee" has the same meaning as set forth in the Cost Plus Work Related Injury Agreement.
- 1.5. "Fee Schedule" mean the fee schedule published by the Director of the Department of

Labor and Training for the State of Rhode Island, pursuant to R.I. Gen. Laws § 28-33-7, in effect from time to time.

- 1.6. "Grace Period" has the meaning set forth in Section 4.3.1.
- 1.7. "Health Services" means any service, treatment, procedure, facility, equipment, drug, device, or supply which BCBSRI has reviewed and determined is eligible for reimbursement under this Agreement.
- 1.8. "Incurred" has the meaning set forth in Section 1.10.
- 1.9. "Insolvent" or "Insolvency" means as to either Party:
 - a. the entry of an order for relief under Title 11, United States Code (the "Bankruptcy Code") or the commencement of a voluntary case under the Bankruptcy Code or consent to the entry of an order for relief in any involuntary case under the Bankruptcy Code or the commencement of any receivership, Insolvency or similar proceeding or entry by a court of competent jurisdiction of any similar order under any applicable bankruptcy, Insolvency or other similar law now or hereinafter in effect in the United States, any state thereof or any other jurisdiction; or
 - b. the appointment by any court of competent jurisdiction of a receiver, or trustee, liquidator, sequestrator, custodian or other officer having similar powers for such Party or of all or any substantial part of its property; or
 - c. the commencement of an involuntary case under the Bankruptcy Code or any applicable bankruptcy, Insolvency or other similar law now or hereafter in effect in the United States, any state thereof or any other jurisdiction and continuation of such case for 60 days without dismissal.
- 1.10. "Loss" or "Losses" means such dollar amounts as are actually paid by INSURED for Work Related Injury Health Services provided to an Eligible Employee during the Benefit Accumulation Period in accordance with the terms and limitations of the Cost Plus Work Related Injury Agreement. A Loss shall be deemed to be Incurred on (i) the date of admission to the hospital as an inpatient for inpatient hospital Work Related Injury Health Services or (ii) the date of service for all other Work Related Injury Health Services.
- 1.11. "Non-Enrolled Employees" means employees and retirees of INSURED who are not provided coverage for work related injury medical and hospital services through the Cost Plus Work Related Injury Agreement.
- 1.12. "Party" or "Parties" means BCBSRI and/or INSURED.
- 1.13. "Premium" means the amount paid by INSURED to BCBSRI on a monthly basis for work related injury Stop-Loss Insurance Coverage of Work Related Injury Health Services provided under this Agreement.

1.14. "Rate Year(s)" has the meaning set forth in Section 6.1 hereof.

1.15. "Specific Deductible" means the dollar amount of Losses per Eligible Employee over which Specific Stop-Loss reimbursement shall be paid, subject to the terms of this Agreement and any limitation on payment, including but not limited to any Specific Stop-Loss Maximum.

1.16. "Specific Stop-Loss Maximum" means the maximum amount of reimbursement provided under this Agreement and in Exhibit A for Specific Stop-Loss Insurance Coverage.

1.17. "Stop-Loss Insurance Coverage" means insurance coverage that reimburses INSURED's Losses covered under this Agreement at an agreed-upon point as forth in Section 2.1 up to an agreed-upon maximum.

1.18. "Successor" has the meaning set forth in Section 9.1.1.

1.19. "Supplemental Work Related Injury Services" means (a) medical, surgical, dental, optical, or other attendance or treatment, nurse and hospital service, medicines, crutches, and apparatus that are not Work Related Injury Health Services, but for which INSURED is liable pursuant to R.I. Gen. Laws §28-33-5, or, with respect to eligible police and fire employees of INSURED, R.I. Gen. Laws §45-19-1, and (b) fees charged by health care providers for those forms required by R.I. Gen. Laws §28-33-8. Supplemental Work Related Injury Services shall remain the liability of INSURED. This Agreement does not provide coverage for dollar amounts as are actually paid by INSURED for Supplemental Work Related Injury Services, regardless of whether the services are provided to an Eligible Employee or a Non-Enrolled Employee.

1.20. "Term" has the meaning set forth in Section 6.1.

1.21. "Cost Plus Work Related Injury Agreement" has the meaning set forth in the recitals hereto.

1.22. "Work Related Injury Health Services" means Health Services that would be covered under the Cost Plus Medical Only Agreement and the Prescription Drug Agreement if the work-related injury exclusion of that contract were waived; in other words, those Health Services provided to Eligible Employees under this Agreement which are excluded from coverage under the Cost Plus Medical Only Agreement and Prescription Drug Agreement due solely to the application of the work-related injury exclusion in the Cost Plus Medical Only Agreement and Prescription Drug Agreement. For the purpose of this Agreement, Work Related Injury Health Services do not include any services provided to Non-Enrolled Employees, any services covered under the Medical Stop Loss Agreement, or any Supplemental Work Related Injury Services.

2. WORK RELATED INJURY STOP-LOSS INSURANCE COVERAGE

2.1. BCBSRI shall reimburse INSURED for such Losses that are covered by this Agreement and that INSURED is legally obligated to pay under the Cost Plus Work Related Injury Agreement subject to and in accordance with the coverage terms set forth in this Agreement and in Exhibit A. BCBSRI shall have the right to amend such coverage terms set forth in Exhibit A in the case of material changes to the Cost Plus Work Related Injury Agreement, provided such changes are agreed to by the Parties in writing. Whenever possible, BCBSRI will reimburse

INSURED by providing an offset to amounts due from INSURED pursuant to the Cost Plus Work Related Injury Agreement. Any such offset shall be identified by BCBSRI in writing.

2.2. Except as expressly stated herein, in no event shall BCBSRI be liable to INSURED for any Losses after the Benefit Accumulation Period; provided, however, that in the case of an appeal of a denial of coverage that is filed by an Eligible Employee or his/her designee or of coordination of benefits, BCBSRI shall be liable to INSURED for any covered Losses that are paid by the INSURED for Health Services within one-hundred and eighty (180) days after the Benefit Accumulation Period.

2.3. In the event that a Loss is not actually paid by INSURED during the Benefit Accumulation Period and such failure to pay is the result of BCBSRI's action or failure to act pursuant to the Cost Plus Work Related Injury Agreement, BCBSRI shall be liable to INSURED for such incurred but unpaid Loss.

3. LIMITATIONS OF WORK RELATED INJURY STOP-LOSS INSURANCE

3.1. BCBSRI's liability to insure Losses to INSURED pursuant to this Agreement shall not exceed the Specific Stop-Loss Maximum.

3.2. This is an Agreement for Work Related Injury Stop-Loss Insurance Coverage solely between BCBSRI and INSURED. Nothing in this Agreement shall create any right or legal contractual relationship between BCBSRI, any employee of INSURED, or other third party.

3.3. BCBSRI shall not have any responsibility or obligation to provide any direct services or pay expenses to any employee of INSURED under this Agreement. Furthermore, BCBSRI shall not provide any benefits to any employee of INSURED under this Agreement.

3.4. BCBSRI shall not be liable to INSURED and INSURED shall not be covered for any of the following:

3.4.1. liability for any act of willful misconduct in connection with any Work Related Injury Health Services rendered to any person or persons by INSURED or any group, entity or person employed by or under contract with INSURED;

3.4.2 liability for any expense (including attorneys fees and other legal expenses), punitive, consequential, exemplary, or compensatory damages or any other extra-contractual damages awarded to any employee of the INSURED arising out of the conduct of INSURED's investigation, adjudication, trial or settlement of any claim or failure to pay or delay in payment of any claim or benefits or rendering of any Work Related Injury Health Services under its Cost Plus Work Related Injury Agreement, or any statutory or regulatory penalty imposed upon INSURED on account of any unfair trade practice or any unfair claim practice or other violations of law (collectively, "Penalties"); provided, however, that such Penalties shall not be, and shall not be construed or interpreted as "Losses" or a "Loss" for purposes of this Agreement,

meaning, for example and avoidance of doubt, that other than with respect to Penalties BCBSRI's obligation to reimburse INSURED for Losses pursuant to Section 2 of this Agreement shall not be affected by this Section 3.4.2.;

3.4.3 liability assumed by INSURED in excess of Work Related Injury Health Services covered under the Cost Plus Work Related Injury Agreement, including liability for Supplemental Work Related Injury Services and liability under any contract other than INSURED's Cost Plus Work Related Injury Agreement;

3.4.4 expenses or Losses which INSURED has paid as settlement, whereby INSURED released any persons or entity from its legal liability;

3.4.5 liability as a result of sickness or accidental injury not specifically covered by the Cost Plus Work Related Injury Agreement as a covered Work Related Injury Health Service, unless notice has been provided to BCBSRI in accordance with Section 10.4 and BCBSRI has specifically agreed in writing to provide coverage for such Loss;

3.4.6 liability for payments INSURED makes which are covered under any provisions of any other insurance or stop-loss policy; or

3.4.7 damages, actions or claims made against BCBSRI and caused by INSURED's acts or omissions in administering the Cost Plus Work Related Injury Agreement.

4. PREMIUM PAYMENT

4.1. The Premium for the Work Related Injury Stop-Loss Insurance Coverage provided by BCBSRI under this Agreement shall be as set forth on Exhibit B.

4.2. Premium payment shall be based on the rates and the number of Eligible Employees enrolled in the group numbers covered under this Agreement, as set forth in Exhibit B. Premiums shall be payable by INSURED to BCBSRI on a monthly basis.

4.3. Premiums shall be payable by INSURED to BCBSRI by the first day of each month for which Work Related Injury Stop-Loss Insurance Coverage shall be provided under this Agreement. Premiums paid by INSURED to BCBSRI shall be adjusted retroactively based on enrollment.

4.4. Late Payment Charge; Grace Period. BCBSRI agrees to waive late payment charges, provided INSURED remits Covered Claims payment via BCBSRI-initiated ACH debit. INSURED shall pay all costs of collection incurred by BCBSRI in recovering unpaid amounts including reasonable attorneys' fees. BCBSRI reserves the right to use any amount payable from BCBSRI to INSURED to offset past due amounts. INSURED shall have a thirty-one (31) day grace period from the Premium due date set forth in Section 4.3.1 ("Grace Period") before this Agreement may be terminated for non-payment in accordance with Section 6.1.2.

4.5. BCBSRI may adjust Premium rates in the case of: (i) any changes to terms of this Agreement in writing and signed by the Parties; (ii) addition or deletion of a subsidiary or affiliated companies of INSURED, with BCBSRI approval; (iii) annual renewal of this

Agreement; (iv) a fifteen percent (15%) growth or reduction in the size of INSURED's Eligible Employees during the Term or subsequent Rate Years; or (v) changes to Cost Plus Work Related Injury Agreement that impacts the cost of administration, including but not limited to changes to covered Work Related Injury Health Services or the scope of Work Related Injury Health Services available to Eligible Employees, provided such changes are agreed to by the Parties in writing.

5. ACCOUNTING OF LOSSES

5.1. BCBSRI shall keep an accounting of Losses related to the INSURED's Cost Plus Work Related Injury Agreement, both per Eligible Employee Loss and total Losses for all Eligible Employees, and shall reimburse INSURED's eligible Losses following payment by the INSURED (or other appropriate party) of all applicable Specific Deductibles and other amounts required to be paid, as set forth in Section 2 and Exhibit A.

5.2. BCBSRI shall reimburse INSURED for covered Losses promptly following BCBSRI's knowledge of the Loss.

5.3. BCBSRI shall promptly provide INSURED with reports in a format and with content determined by BCBSRI and agreed to by the Parties in writing, to reflect the point at which Losses are at fifty percent (50%) of the Specific Deductible and at the point Losses meet or exceed the Specific Deductible. Once Losses during the Benefit Accumulation Period meet or exceed the Specific Deductible, reporting will be provided on a monthly basis, in a format and with content determined by BCBSRI, and agreed to by the Parties in writing, to reflect such Losses.

6. TERM AND TERMINATION

6.1. The Agreement shall have an initial Term of twelve (12) months beginning at 12:01 a.m. Eastern Standard Time on January 1, 2010 ("Effective Date") and shall be in full force and effect through 12:00 midnight Eastern Standard Time on December 31, 2010 ("Term"), subject to termination as hereinafter provided. At the end of the initial twelve (12) month Term, the Agreement may be renewed for successive twelve (12) month periods ("Rate Year(s)") upon mutual agreement of the Parties, unless terminated in accordance with the terms of the Agreement. The financial terms for each subsequent Rate Year hereunder shall change at the beginning of each Rate Year in accordance with a written agreement signed by the Parties. Any such change to the financial terms of this Agreement including but not limited to Premiums and Specific Deductibles, as set forth in Exhibit A and B, shall be communicated to INSURED in a writing approved by an officer of BCBSRI and signed by the Parties hereto, which writing shall constitute an amendment to this Agreement. During subsequent Rate Years, the Agreement and all of its terms and conditions shall remain in full force and effect, except as otherwise amended or modified in writing. This Agreement requires thirty-one (31) days of written notice to extend past the Term or any subsequent Rate Year.

6.1.1. This Agreement shall terminate simultaneously with the termination of the Cost Plus Work Related Injury Agreement or the Medical Stop Loss Agreement between

BCBSRI and INSURED, provided, however, in the event this Agreement terminates during a Rate Year INSURED understands and agrees that the period of time for covered Losses paid for by INSURED during the Benefit Accumulation Period will be reduced to twelve (12) months after the date of termination of this Agreement.

6.1.2. If payment for any Premium is not received by BCBSRI from INSURED as specified in Section 4.3, this Agreement shall terminate automatically effective the last day of the Grace Period, upon two (2) business days' written notice to the INSURED. BCBSRI may, at its sole discretion, waive the automatic termination.

6.1.3. INSURED and BCBSRI each shall have the right to terminate this Agreement, with or without cause, on any anniversary of the Effective Date of the Agreement by giving the other Party written notice of such intention to terminate at least thirty-one (31) days prior to any anniversary of the Effective Date.

6.1.4. INSURED and BCBSRI each shall have the right to terminate this Agreement in the event the other Party becomes Insolvent by giving the other Party written notice of termination.

6.1.5. INSURED and BCBSRI may terminate this Agreement at any time by mutual agreement.

6.2. Termination of this Agreement shall not terminate the rights or liabilities of either INSURED or BCBSRI arising during any period when this Agreement was in force and effect, provided that nothing herein shall be construed to extend BCBSRI's liability for reimbursements under this Agreement for any Loss Incurred by INSURED on or after the date of termination of this Agreement.

7. REPORTS, RECORDS AND AUDITS

7.1. INSURED's books and records relating to Work Related Injury Stop-Loss Insurance Coverage under this Agreement, to the extent permitted by law, shall be made available to BCBSRI and its authorized representatives for inspection and audit during normal business hours, upon ten (10) days written notice to INSURED by BCBSRI, on a date and time mutually agreed to by the Parties hereto, but no more often than once a quarter. INSURED's books and records shall be maintained and preserved by INSURED, and available to BCBSRI, for a period of five (5) years after the date such record is created for each applicable record.

7.2. The Parties recognize a Cost Plus Work Related Injury Agreement is currently in effect between BCBSRI and INSURED and that information received by BCBSRI for administration of claims covered under the Cost Plus Work Related Injury Agreement may be used for purposes of this Agreement. Any additional information necessary for the administration of Work Related Injury Stop-Loss Insurance Coverage under this Agreement shall be provided by INSURED to BCBSRI in a timely manner upon request by BCBSRI. The Parties recognize that they have entered into a HIPAA business associate agreement in connection with services provided under the Cost Plus Agreement between the Parties. The Parties agree that such HIPAA business associate agreement shall apply to this Agreement and that for purposes of this Agreement, the relationship is one of insurer and INSURED, and the provisions of the business associate

agreement shall not apply to information received by BCBSRI as a provider of Stop-Loss Insurance Coverage except as otherwise required by law.

7.3. All information disclosed to BCBSRI by INSURED or its agent, either in the course of conducting negotiations or as the result of complying with the terms and conditions of this Agreement, shall be considered to be privileged and confidential information and shall not be disclosed without written consent of INSURED; provided, however, BCBSRI may submit this Agreement or other information related thereto to: i) the Rhode Island Office of Health Insurance Commissioner or other appropriate state regulatory authority or court having jurisdiction over the matter in the event of a market conduct study, the enforcement of BCBSRI's rights and responsibilities under this Agreement, or as otherwise required by law; or ii) any party providing services or advice to BCBSRI as long as such party agrees to be bound by the provisions of this Section 7.3 and such party agrees to abide by any and all applicable conflict of interest laws, rules and/or regulations.

7.4. All information disclosed to INSURED or its agent by BCBSRI, either in the course of conducting negotiations or as the result of complying with the terms and conditions of this Agreement shall be considered to be privileged and confidential information and shall not be disclosed without written consent of BCBSRI, except (i) to INSURED's auditors, attorneys, and/or consultants engaged for the purpose of providing legal services, conducting financial audits, management audits, program evaluations, actuarial or similar studies and as required by applicable law or judicial process, or (ii) the enforcement of INSURED's rights and responsibilities under this Agreement, or as otherwise required by law, including the Open Records Act, so-called, and the Access to Public Records Act, so-called, or (iii) any party providing services or advice to INSURED as long as such party agrees to be bound by the provisions of this Section 7.4.

8. ARBITRATION

8.1. In the event of any dispute or disagreement between the Parties with respect to this Agreement, the Parties shall make a good faith effort to resolve the dispute within thirty (30) days of written notice by either Party requesting a meeting to resolve the dispute. If the Parties are unable to resolve the dispute within thirty (30) days, unless otherwise agreed to by the Parties, the Parties agree to engage in mediation of the dispute in Providence, Rhode Island by an independent and neutral person qualified to act as a mediator. If the Parties are unable to reach a mutually acceptable resolution to the dispute within thirty (30) days following an initial mediation conference, or within sixty (60) days following the written request for mediation, the Parties agree that the matter may, upon written agreement of the Parties, be submitted to arbitration in Providence by three (3) impartial arbitrators, who shall be experienced in mediation and arbitration and knowledgeable regarding insurance and reinsurance business, one to be chosen by each Party and the third by the two so chosen. If not submitted to arbitration upon written agreement, each Party submits to the jurisdiction of the courts situated in Providence County, State of Rhode Island.

8.2. If submitted to arbitration upon written agreement of the Parties, the dispute shall be settled in accordance with rules established by the American Arbitration Association, and the decision of the arbitrators shall be final and binding. The arbitrators shall consider this

Agreement an honorable engagement rather than merely a legal obligation and may consider the use and custom of the reinsurance industry. The arbitrators are relieved of all judicial formalities and may abstain from following the strict rules of law. If the Parties are found by the arbitrators to have acted in good faith, both Parties shall equally share in the expenses and fees of the arbitration. However, if one Party is found not to have acted in good faith, that Party alone will bear the expenses and fees of the arbitration, including attorneys' fees for both Parties. If the taking of evidence before the arbitrators does not commence within six (6) months following the written demand for arbitration, the Party demanding arbitration shall be able to pursue all legal remedies, including without limitation bringing an action regarding the dispute in a court of law.

8.3. If submitted to arbitration upon written agreement of the Parties, the arbitration shall be governed by the United States Arbitration Act, 9 USC §1 et. seq. and judgment upon the award rendered by the arbitrators may be entered and enforced by any court having jurisdiction over the subject matter. Arbitrators shall not be empowered to award damages in excess of compensatory damages and each Party hereby irrevocably waives any damages in excess of compensatory damages.

9. INSOLVENCY

9.1. Termination Due to Insolvency. In the event of termination of this Agreement due to Insolvency of INSURED, the following rules shall apply for purposes of Losses Incurred prior to the date of termination:

9.1.1. BCBSRI shall have no obligation with respect to administration of INSURED benefits or for making any direct payments to any party other than INSURED or its liquidator, receiver, rehabilitator, trustee, administrator or other statutory successor (collectively referred to as "Successor"). BCBSRI will make payments directly to INSURED or its Successor, with reasonable provisions for verification, without diminution because of the Insolvency of INSURED. INSURED or its Successor will cooperate with BCBSRI in providing full access to INSURED records and personnel to enable BCBSRI to reasonably determine its obligations. BCBSRI's costs relating hereto shall be reimbursable by INSURED.

9.1.2. INSURED or its Successor shall give written notice to BCBSRI of the pendency of any claims against Insolvent INSURED for which BCBSRI may be liable hereunder within a reasonable time after such claims are presented to INSURED or its Successor or when such claims are filed in an Insolvency proceeding. BCBSRI may investigate such claims and interpose in the proceeding where such claims are to be adjudicated, any defense or defenses which it may deem available to INSURED or its Successor. As soon as practicable after such time as INSURED may become Insolvent, INSURED or its Successor shall take any and all steps necessary to obtain any court approval which may be required to permit expenses incurred by BCBSRI hereto to be allowed as a claim or otherwise chargeable against Insolvent INSURED as part of the expenses of liquidation or rehabilitation. If no such court approval is required, such expenses shall automatically become chargeable as expenses of liquidation or rehabilitation entitled to such priority as may attach as a matter of applicable law. Nothing contained herein requires BCBSRI to take such actions, and BCBSRI's right to investigate claims and interpose in any

proceeding as described herein remain limited to INSURED's obligations under the Cost Plus Work Related Injury Agreement, INSURED's arrangements with health care providers, if any, and the terms of this Agreement.

9.1.3. Notice of INSURED's or BCBSRI's date of Insolvency or date of cessation of operations shall be communicated to the other Party at the earliest possible point in time.

9.1.4. INSURED or BCBSRI shall notify the other Party immediately of the pendency of action which may lead to Insolvency or any intentions the organization may have of ceasing operation.

10. MISCELLANEOUS

10.1. Assignment. Neither Party may assign this Agreement, in whole or in part, without the prior written consent of the other Party, provided that such consent shall not be unreasonably withheld.

10.2. Blue Cross and Blue Shield Association. INSURED expressly acknowledges the understanding that this Agreement constitutes an agreement between INSURED and BCBSRI and that BCBSRI is an independent corporation operating under a license from the Blue Cross and Blue Shield Association, an association of independent Blue Cross and Blue Shield plans. The Blue Cross and Blue Shield Association permits BCBSRI to use the Blue Cross and Blue Shield service marks in the State of Rhode Island, and BCBSRI is not contracting as the agent of the Blue Cross and Blue Shield Association. INSURED further acknowledges and agrees that it has not entered into this Agreement based upon representations by any person other than BCBSRI, and that no person, entity, or organization other than BCBSRI, shall be held accountable or liable to INSURED for any of BCBSRI's obligations to INSURED created under this Agreement. This paragraph shall not create any additional obligations whatsoever on the part of BCBSRI other than those obligations created under other provisions of this Agreement.

10.3. Subrogation. If any payment is made by BCBSRI under this Agreement, BCBSRI shall be subrogated to all of INSURED's right to recover such payment against any Eligible Employee, person, organization, or third party. INSURED shall execute and deliver instruments and do whatever is necessary to preserve and secure such right, but in case INSURED shall refuse or neglect to do so, BCBSRI is hereby authorized and empowered to bring any appropriate actions in the name of the INSURED or Eligible Employee. INSURED shall promptly notify BCBSRI of any Loss in which there is a likelihood of recovery from a third party. Any recovery made by INSURED shall be reimbursed to BCBSRI to the extent of the amount of payment by or the amount of liability to BCBSRI. Any recovery made by BCBSRI shall be reimbursed to INSURED to the extent of the amount of payment by INSURED. In the event any recovery made by INSURED or BCBSRI pursuant to this section is less than the total amount paid by both Parties, the amount recovered shall be shared proportionately to the amount paid by each Party.

10.4. Entire Agreement. This Agreement shall constitute the entire agreement between the Parties with respect to the provision of Work Related Injury Stop-Loss Insurance Coverage by BCBSRI to the INSURED, and there are no understandings between the Parties with respect to

Work Related Injury Stop-Loss Insurance Coverage other than as expressed in this Agreement. No change in this Agreement shall be valid until approved in writing by each Party. All attachments to the Agreement, whether described as an exhibit, endorsement, schedule, addendum or otherwise, are incorporated by reference. Any conflict between the terms contained in the body of the Agreement and such attachment will be governed by the terms contained in the body of the Agreement, except as specifically provided otherwise.

10.5. Notices. All notices required to be given hereunder shall be in writing. Notices shall be deemed sufficiently given if delivered or mailed by postage-prepaid certified mail or overnight carrier, return receipt requested. The notice shall be effective on the date indicated on the return receipt. Any Notice required to be given by INSURED under this Agreement shall be sent to the BCBSRI signatory and address shown on the cover page of this Agreement. Any notice required to be given to INSURED by BCBSRI under this Agreement shall be sent to:

- 1) Director of Administration
City of Providence
25 Dorrance Street
Providence, RI 02903

- 2) Director of Workers' Compensation Employee Benefits
City of Providence
25 Dorrance Street
Providence, RI 02903

- 3) City Solicitor, City of Providence
City Solicitor's Office
444 Westminster Street
Providence, RI 02903

Either Party may change the notice persons and addresses by sending the change in writing to the other Party.

10.6. Governing Law. This Agreement shall be governed by, interpreted and construed in accordance with the State of Rhode Island. Any actions brought concerning this Agreement shall be filed in the appropriate state or federal court in the State of Rhode Island. The Agreement shall be subject to applicable federal laws, rules, and regulations.

10.7. Waiver. The waiver by either Party of a failure to strictly perform any provision of the Agreement is not a waiver of future performance/breach.

10.8. Error or Omissions. Any accidental error or omission made in connection with this Agreement shall not relieve either Party of any liability, provided such error or omission is rectified as soon after discovery as possible.

10.9. Severability. If any provision or provisions of this Agreement shall be held to be illegal, invalid or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby; provided, however, that in the event such remaining provisions are inadequate to permit each Party to realize the material benefits for which it has bargained, then BCBSRI and INSURED shall, in good faith, negotiate mutually acceptable substitute provisions which are valid, legal and enforceable and which most nearly provide for the material benefits sought to be accomplished by the provision or provisions held to be illegal, invalid or unenforceable.

10.10. No Third Party Beneficiaries. Nothing express or implied in this Agreement is intended or shall be deemed to confer upon any person other than BCBSRI, INSURED, and their respective Successors and assigns, any rights, obligations, remedies or liabilities.

10.11. Survival. In addition to survival provisions provided elsewhere in this Agreement, Sections 3.4, 7, 8, 9, 10.2, 10.3, 10.6, and 10.11 of this Agreement, and obligations arising under this Agreement prior to the effective date of any termination, shall survive termination.

**CITY OF PROVIDENCE
STOP-LOSS WORK RELATED INJURY AGREEMENT**

EXHIBIT A

Coverage Terms

Subject to the provisions of this Agreement, specifically referencing Section 2 hereof, BCBSRI agrees to reimburse CITY OF PROVIDENCE for CITY OF PROVIDENCE's liability for Losses as set forth below:

Benefit Accumulation Period:

Losses Incurred from January 1, 2010 through December 31, 2010
and Paid from January 1, 2010 through December 31, 2011.

A. Specific Stop-Loss

Specific Deductible: \$500,000 (per Eligible Employee, per Benefit Accumulation Period)

Specific Stop-Loss Maximum: \$4,500,000 (per Eligible Employee, per Benefit Accumulation Period)

Specific Stop-Loss Insurance Coverage: 100% of Losses in excess of the Specific Deductible will be reimbursed up to the Specific Stop-Loss Maximum.

**CITY OF PROVIDENCE
STOP-LOSS WORK RELATED INJURY AGREEMENT**

**EXHIBIT B
Premium Payments**

Monthly Premium.

The following Eligible Employees within the group numbers listed below are covered under this Agreement. The monthly Premium for the initial Term, January 1, 2010 through December 31, 2010, shall be:

Group Number(s): C, CP1, MCP1, CP2, CP4, CPM, RCPM, PF1, MPF1, PF2, PF3, PR2, PR3, PR4, PT2, MPT7, PT8, MPT8, PT10, CCC1, MCCC1, CITY, MCITY, CPC1, MCPC1, CP4R, PFC1, MC, M4H75, MPFC1, PRPE, PR4X, PWSM, RPWSM, 4H75, 6L61, P6L61, CCC1A, CPC1C, CPC1CM	Monthly Premium for Specific Stop Loss per Eligible Employee \$0.90
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