

BLUE CROSS AND BLUE SHIELD OF FLORIDA, INC.
ANNUAL ACCOUNTING AND RETENTION AGREEMENT

This is an Agreement (hereinafter "Agreement") between Blue Cross and Blue Shield of Florida, Inc. (hereinafter referred to as "BCBSF"), located at 4800 Deerwood Campus Parkway, Jacksonville, Florida 32246, and Nassau County Board of County Commissioners, (hereinafter "the Group") located at 96135 Nassau Place Suite 5, Yulee FL 32097.

WHEREAS, the Group requests BCBSF to provide a Point-of-Service Program, (hereinafter "the Program") to its employees/members (herein "Group Member(s)"); and

WHEREAS, Blue Cross and Blue Shield of Florida, Inc., has agreed to provide the insurance part of the Program; and

WHEREAS, each of the parties to this Agreement seeks to set forth, in writing, the terms and conditions of their Agreement;

NOW THEREFORE, for good and valuable consideration, the parties agree as follows:

I. **TERM**

The term of this Agreement shall begin on October 1, 2012, (the effective date) and shall end on September 30, 2014, (the termination date), unless otherwise terminated or renewed in accordance with the provisions of this Agreement.

II. **BENEFIT PLAN**

BCBSF agrees to administer the Group's health benefit plans (hereinafter referred to as the "Benefit Contracts"), which are hereby incorporated by reference into this Agreement.

III. **PREMIUM PAYMENTS**

The Premium Rates, Prepayment Fees, and Supplemental Charges for the Program are payable in advance to BCBSF at the address set forth above. The premiums for the program are set forth in Exhibit A once the premium rates are agreed upon by the parties.

IV. **ANNUAL ACCOUNTING**

A. Within one-hundred twenty (120) days of the end of the term of this Agreement, BCBSF shall prepare and furnish to the Group an accounting of such year's operations.

B. This accounting shall include operations under all coverages of the program and shall set forth the following:

- (a) Earned Premium
- (b) Incurred Claims (less claims in excess of the \$150,000 pooling point)
- (c) Pooling Claim Charge, and
- (d) Administrative Charges as set forth on Exhibit A.

C. If Earned Premium is greater than the sum of Incurred Claims (less claims in excess of the pooling point), Pooling Claim Charge and Administrative Charges, 50% of this excess will be returned to the Group.

However, if the group cancels prior to January 31, 2015, any such excess will not be available for return to the Group.

D. If Earned Premium is less than the sum of Incurred Claims less claims in excess of the pooling point, Capitation Charges, Pooling Charges and Administrative Charges, the deficit will be retained by BCBSF.

E. If the group cancels at any time after the date they sign this Agreement and prior to the termination date of this Agreement, any excess premium available will not be returned to the Group.

V. TERMINATION

This Agreement may be terminated at any anniversary of the effective date by either party by giving the other party at least 45 days prior written notice of such termination.

VI. MODIFICATION OF RATES

Rates for the term of this Agreement will remain in effect, as set forth in Exhibit A, provided there is no material change to the Benefit Contracts, the enrollment, or any other risk factor, as determined by BCBSF. Thereafter, all rates set forth in Exhibit A of this Agreement are subject to change by BCBSF at any time following at least forty-five (45) days prior written notice to the Group.

The modified rates, including renewal rates, will be set forth and

presented to the Group on a revised Exhibit A. All other provisions of this Agreement shall remain in effect without modification.

VII. LATE PAYMENT/CHARGE

In the event the Group fails to make any payment due under this Agreement, in full, prior to the applicable due date, such payment may be made to BCBSF up to ten (10) days after such due date without a late payment charge. Payments received by BCBSF eleven (11) to thirty-one (31) days after such due date are subject to a late payment charge. The Group shall pay any late payment charge to BCBSF immediately upon receipt of the notice of such charge.

In the event any charge under this Agreement is not paid, in full, by the Group to BCBSF within thirty-one (31) days after the applicable due date, this Agreement will automatically terminate as of the applicable due date. In the event this Agreement terminates retrospectively for any reason, the Group shall be liable, in addition to all other liabilities set forth in this Agreement, for any claim(s) paid by BCBSF which were incurred after the termination date.

VIII. RENEWAL

This Agreement shall automatically renew/extend for additional one-year period(s), after the termination date, at the rates then in effect (the renewal rates), unless either party notifies the other party of its intent not to extend this Agreement at least forty-five (45) days prior to the applicable Anniversary Date. The renewal rates will be set forth and presented to the Group on a revised Exhibit A.

IX. A. INCONSISTENCIES

If the provisions of this Agreement are, in any way, inconsistent with the provisions of the Benefit Contract(s), then the provisions of this Agreement shall prevail, and the other provisions shall be deemed modified but only to the extent necessary to implement the intent of the parties expressed herein.

B. SURVIVAL

The rights and obligations of the parties, as set forth herein, shall survive the termination of this Agreement to the extent necessary to effectuate the intent of the parties as expressed herein.

C. WAIVER OF BREACH

The failure by either party, at any time, to enforce or to require the strict adherence to any provision of this Agreement shall not be deemed to be a waiver of such provision or any other provision of this Agreement.

D. GOVERNING LAW

This Agreement, and the rights of the parties hereunder, shall be construed according to the laws of the State of Florida.

E. SEVERABILITY

In the event any provision of this Agreement is deemed to be invalid or unenforceable, all other provisions shall remain in full force and effect.

F. AMENDMENT

This Agreement may be amended at any time upon mutual, written agreement of both parties, except that BCBS may make changes necessary to comply with State and Federal laws upon 60 days notice to the Group.

G. ENTIRE AGREEMENT

This Agreement, including its Exhibits, the application(s) for coverage, and the Benefit Contract(s) constitute the entire Agreement between the Group and BCBSF. Any prior agreements, promises, or representations, either oral or written, relating to the subject matter of this Agreement, and not expressly set forth in this Agreement, are of no force or effect.

H. NOTICES

Any notice, required or permitted under this Agreement, shall be deemed given if hand delivered or if mailed by United States mail, or an overnight mail service (e.g., Federal Express), postage prepaid, to the applicable address as set forth above or to such other address as a party may designate, in writing, to the other party. Such notice shall be deemed effective as of the date so deposited or delivered.

I. SEPARATE CORPORATION


Blue Cross and Blue Shield of Florida, Inc., and Health Options, Inc., are separate corporations. Nothing in this Agreement shall be construed, for any purpose whatsoever, to make either liable for the actions of the other.


J. PROVIDER NETWORKS

BCBSF's Health Care Provider Networks are subject to change and may be modified at any time during the term of this Agreement without notice to or consent of the Group or any Group Member.

**BLUE CROSS BLUE SHIELD OF
FLORIDA, INC.**

**NASSAU COUNTY BOARD OF COUNTY
COMMISSIONERS**

By: 

By: 

Name: James J. Condit

Name: Daniel B. Leeper
(typed)

Title: Vice President & Chief
Underwriting Officer

Title: Chairman

Date: September 4, 2012

Date: 8-15-12

ATTEST TO CHAIRMAN'S SIGNATURE:

By: 

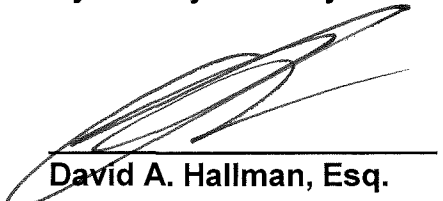
Name: John A. Crawford

Title: Ex-Officio Clerk

Date: 8-17-12

MES 08/16/12

Approved as to form
By County Attorney:


David A. Hallman, Esq.

**EXHIBIT A
TO THE
ANNUAL ACCOUNTING AND RETENTION AGREEMENT
WITH
NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS
GROUP NO. 30749**

A. Premium rates effective: October 1, 2012 through September 30, 2013

**Health Options Plan 45: Single: \$573.26
 E/S: \$1,186.65
 E/C: \$1,077.72
 Family: \$1,820.09**

**Health Options Plan 042: Single: \$643.40
 E/S: \$1,331.85
 E/C: \$1,209.59
 Family: \$2,042.79**

**Blue Options Plans 05192-05193: Single: \$449.63
 E/S: \$930.72
 E/C: \$845.30
 Family: \$1,427.57**

**Blue Options Plan 03769: Single: \$701.94
 E/S: \$1,453.76
 E/C: \$1,320.31
 Family: \$2,229.81**

B. Administrative charges effective: October 1, 2012 through September 30, 2013

14.25% of earned premium

C. Pooling effective: October 1, 2012 through September 30, 2013

- 1. Pooling Level: \$150,000 Per Individual**
- 2. Pooling Charges: 5.8% of earned premium**