

Service and Compensation Agreement

By and Between

OneDigital

&

**Valdez City &
School District**

Service and Compensation Agreement

This Service and Compensation Agreement (the “Agreement”), effective April 1, 2017 is made between OneDigital (“Digital”) and **Valdez City & School District** (each a “Party” and, collectively, the “Parties”).

1. Purpose of the Agreement

This Agreement describes the products, tools and services that Digital recommends for you and your employees and provides a detailed disclosure of the compensation associated with all such products, tools and services. Upon Valdez City & School District’s election of any product, tool and/or service, this Agreement will satisfy all applicable state requirements for written agreement and compensation disclosure.

2. Nature and Scope of Services

2.1 In most cases, Digital will act as an intermediary, working on **Valdez City & School District** behalf to review and recommend appropriate insurance products, services and tools to accomplish the strategies you have disclosed to Digital. Prior to making any recommendations, Digital will assist you further by thoroughly analyzing available products, tools and services. Digital will act independently in relation to the various insurers and vendors whose products it will propose to you.

2.2 For products labeled “Digital Advantage”, stem from special relationships between Digital and particular insurance carriers and vendors that allow us to secure **Valdez City & School District** generally more favorable rates, product terms or services. Digital will work closely with **Valdez City & School District** to determine whether these products are appropriate for it and its employees.

2.3 Digital occasionally may assist **Valdez City & School District** with coordinating certain outside services not listed in Attachment A. By executing this Agreement, **Valdez City & School District** acknowledges and agrees that this Agreement includes only those fees listed in Attachment A, and further acknowledges and agrees that Digital will bill **Valdez City & School District** separately, and prior to rendering such assistance, for all other fees associated with any other services, tools and/or products, including, but not limited to:

- a. Legal, accounting, and other professional services;
- b. Reasonable travel expenses requested by **Valdez City & School District**, if expenses exceed Digital’s normal amounts and **Valdez City & School District** approves such expenses in advance. These include, but are not limited to, items such as airfare, rental car charges, mileage, etc.
- c. Special outside communications services, printing charges, and postage fees.

3. Products and Services

3.1 Attachments A: Traditional advisory services, risk management, benefits package selection, placement, and supporting services.

3.2 Attachments B: Strategic recommendations for additional products, tools, services and resources needed to achieve your goals

3.3 No other amendments or attachments

4. Compensation

Digital will fully disclose all commissions and fees to our clients according to the fee structure outlined in Attachment C.

Terms of Compensation:

4.1 As per, and subject to, applicable state law, any fees associated with the placement or servicing of insurance products will be offset by the commissions received by the insurance carriers for these services.

4.2 Billing options are available in annual, semi-annual, quarterly or monthly intervals. Digital agrees to directly bill the client. The terms are standard net 30. Payment due dates will be noted on the invoice. Failure to remit within this timeframe, or any payments returned for non-sufficient funds (NSF), will result in a late fee of 2% plus the amount of any penalty fees assessed for NSF.

- Base advisory fees are increased 3% annually after 2 years on the contract anniversary, unless a new contract is executed.
- For additional services elected after the execution of the Agreement, a separate agreement will be executed and subject to all terms of that subsequent agreement.
- For fees calculated by a “per employee per month” (PEPM) charge, **Valdez City & School District** agrees to provide Digital updated census information no later than fifteen (15) days prior to the start of each new calendar quarter. Digital will rely upon and use this census information to calculate the fee for the upcoming calendar quarter.
- Where Digital receives carrier commissions, it will provide an annual compensation disclosure and true-up to **Valdez City & School District** no later than sixty (60) days after the end of the term.

*Digital is an appointed agent for the insurance companies it represents and provides services to **Valdez City & School District** on behalf of insurance companies in connection with the placement of insurance. In Digital's role as the insurance companies' agent, it may receive compensation in the form of commissions, which consist of a percentage of the premium or a flat dollar amount collected by the insurance companies, from insurance companies for Digital's professional services. In some cases, Digital also may receive additional compensation, under agreements with one or more insurance carriers, in the form of commission overrides, bonuses or marketing fees which can be based on some combination of volume, new business, persistency and other factors. Digital may be a party to such agreements with one or more of the insurance companies or insurance intermediaries with or through which Digital places insurance. Any additional compensation is not customarily attributable to a particular client and is not factored into a decision on where to place business.*

5. Term and Termination

5.1 Term. Unless terminated earlier under Section 5.2, the initial term of this Agreement will be from April 1, 2017 to March 31, 2018. The term of this Agreement shall automatically renew for successive one- (1-) year terms, unless either Party delivers written notice no later than ninety (90) days prior to the end of the then current term to the other Party of its intent to terminate the Agreement.

5.2 Termination Either Party may terminate this Agreement, with or without cause, at any time if either Party provides to the other no less than a one hundred twenty- (120-) day advance written notice.

6. Miscellaneous

6.1 Confidentiality. This Agreement and its contents, including the fee arrangement reached by the Parties, are confidential, as is any advice that Digital provides **Valdez City & School District**. To that end, by signing below, the Parties agree not to disclose the contents of this Agreement to third parties unless required to do so by law or authorized in writing by the other Party to so disclose. Each Party further agrees that it will not disclose any non- public, confidential or proprietary information of the other Party, including, but not limited to, specifications, samples, patterns, designs, plans, drawings, documents, data, business operations, customer lists, pricing, discounts or rebates, disclosed by the other Party, whether disclosed orally or disclosed or accessed in written, electronic or other form or media, and whether or not marked, designated or otherwise identified as "confidential," in connection with this Agreement.

6.2 Compliance with HIPAA. **Valdez City & School District** and Digital acknowledge that certain information, reports and data generated under this Agreement are subject to applicable laws and regulations pertaining to the confidentiality of medical records, and the parties agree to comply in all respects with such laws, including but not limited to the Health Insurance Portability and Accountability Act of 1996 (HIPAA). Services under this Agreement are subject to the Business Associate Agreement entered into separately by the Parties ("BAA"). This Agreement does not modify, supersede or otherwise affect any provision of the BAA.

6.3 Indemnification. By signing below, **Valdez City & School District** agrees to release, indemnify and hold Digital harmless from any and all liabilities and costs (including attorneys' fees) that result if **Valdez City & School District** knowingly provides false, incomplete and/or misleading information.

6.4 Limitation of Liability. Under no circumstances shall either Party be liable to the other Party for indirect, incidental, consequential, special, exemplary or punitive damages (even if such damages are foreseeable or that Party has been advised or has constructive knowledge of the possibility of such damages) arising from such Party's performance or non-performance pursuant to any provision of this Agreement (including such damages incurred by third parties), such as, but not limited to, loss of revenues, loss of data, anticipated profits or lost business. Notwithstanding anything herein to the contrary, however, this section shall not limit either Party's liability to the other for: (a) willful and malicious conduct; (b) direct damage to real or personal property; (c) bodily injury or death caused by negligence; or (d) such Party's indemnification obligations hereunder.

6.5 Licensures and Liability Insurance. Digital certifies that it maintains all required state licensure for all of its employees providing services to **Valdez City & School District** along with the appropriate liability and errors and omissions coverage required by the applicable states.

6.6 Applicable Law. This Agreement will be governed by and construed and enforced in accordance with the laws of the state of Georgia without giving effect to any choice or conflict of law provision or rule (whether of the State of Alaska or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than those of the State of Alaska.

6.7 Severability. If any provision of this Agreement, or the application thereof to any person, place or circumstance, shall be held by a court of competent jurisdiction to be invalid, unenforceable or void, the remainder of this Agreement and such provision as applied to other persons, places or circumstances shall remain in full force and effect.

6.8 Notices. All notices, request, consents, claims, demands, waivers and other communications hereunder (each, a "Notice") shall be in writing and addressed to the Party at the addresses set forth in the signature block below or to such other address that may be designated by the receiving Party in writing. All Notices shall be delivered by personal delivery, nationally recognized overnight courier (with all fees pre-paid), facsimile

DATE:

(with confirmation of transmission) or certified or registered mail (in each case, return receipt requested, postage prepaid). Except as otherwise provided in this Agreement, a Notice is effective only (a) upon receipt of the receiving Party, and (b) if the Party giving the Notice has complied with the requirements of this Section.

6.9 Assignment. Neither this Agreement nor any of the rights or obligations hereunder may be assigned by any party without the prior written consent of the non-assigning Party. Any purported assignment without such consent shall be void and unenforceable. Any purchaser of Digital, or all or substantially all of the assets of Digital, shall be entitled to the benefits of this Agreement, whether or not this Agreement is assigned to such purchaser.

6.10 Waiver. No waiver by either Party of any of the provisions of this Agreement is effective unless explicitly set forth in writing and signed by both Parties. No failure to exercise, or delay in exercising, any rights, remedy, power or privilege arising from this Agreement operates or may be construed as a waiver thereof. No single or partial exercise of any right, remedy, power or privilege hereunder precludes any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

Entire Understanding. This Agreement constitutes the entire understanding among the parties and supersedes, in their entirety, any and all understandings, agreements, contracts, arrangements, communications, discussions, representations, warranties, whether oral or written, among the Parties respecting the engagement. No provision of this Agreement may be modified, waived or changed except by a writing signed by the Parties hereto.

Signature:

By:
Title:
City of Valdez

Signature:

By:
Title:
OneDigital
200 Galleria Pkwy Ste. 1950
Atlanta, GA 30339

Date

By:
Title:
Valdez School District

Date

Date

Attachment A

Advisory Services

<i>Services Include:</i>	Frequency	Group Size
A. Financial <ol style="list-style-type: none"> 1. Evaluation of current benefit program 2. Short- and long-term strategic planning 3. Value-based review of program options leading to customized benefit program design and recommendations that achieve client goals 4. Renewal management 5. Contribution strategies 6. Negotiations 7. Assistance with carrier's annual certifications 8. Benefit program implementation including enrollment and placement. Online application process for employees.* 	As Directed by Advisor	100- 500 EEs
B. Advocacy and Administration <ol style="list-style-type: none"> 1. Customer Advocate Center – <ol style="list-style-type: none"> a. Claims information and issue resolution b. Eligibility and enrollment management c. Billing assistance d. Employee assistance with general questions and benefit plan navigation 2. Advocacy through participation with strong industry councils and organizations providing a voice for our employers at the state and federal levels 	As Directed by Consultant or Client	
C. Compliance <ol style="list-style-type: none"> 1. On-line employer benefits resource tool providing access to federal and state employer laws and regulations, sample forms and procedures and full range of training programs 2. Employer compliance calendar and checklist 3. Health care reform applicability and action plan 4. Response to general compliance questions 5. HIPAA tutorial and basic risk exposure checklist 6. Guidance for employer responsibilities including ERISA, Medicare Part D, etc. 7. Access to general legal and reference materials and for employer issues 	On Demand	
D. Education and Communication <ol style="list-style-type: none"> 1. Calls to discuss new industry developments and ideas for future program enhancements 2. Benefits @Work newsletter 3. Health Care Reform Advisory notices 4. Employee wellness tools and resources 5. Administrative training of benefits personnel 6. Compliance and health care reform webinars 7. Assistance with development of employee communication materials 8. Assist in the development, implementation, and interpretation of an employee survey 	Periodically	

* Availability may vary by state and product

DATE:

Attachment B

Strategic recommendations for additional products, tools, services and resources needed to achieve your goals.

Financial Services Include:	Vendor Name	Set up or One-Time Costs	Ongoing Costs	Digital Solution Selected	Type of Billing
Flexible Spending Account	Enter info.	Enter info.	Enter info.	Select	Select
Dependent Care Account	Enter info.	Enter info.	Enter info.	Select	Select
Health Reimbursement Arrangements	Enter info.	Enter info.	Enter info.	Select	Select
Health Savings Account	Enter info.	Enter info.	Enter info.	Select	Select

Attachment C

Valdez City & School District
223 Participating Employees:

Effective Date: April 1, 2017

Election of services and fees

Service Type	Option	Fee Basis	Fee Type	Annual Fee	Initial Selection
Advisory Services	Advisory Package	\$	Choose an item.	\$	
	Consulting Fee	\$10.25 PEPM	Monthly	\$27,429 Est.	
Additional Products, Tools and Resources	Choose an item.	\$	Choose an item.	\$ 0	
	Choose an item.	\$		\$ 0	
	Choose an item.	\$	Choose an item.	\$ 0	
	Choose an item.	\$	item. Choose an	\$ 0	
	Choose an item.	\$	Choose an item.	\$ 0	
	Choose an item.	\$	Choose an item.	\$ 0	
	Choose an item.	\$	Choose an item.	\$ 0	
	Choose an item.	\$	Choose an item.	\$ 0	
Billing Frequency	Choose an item.	\$	Choose an item.	\$ 0	
Total Fees	Annual Fees			\$27,429 (est)	

My initials above indicate my service and billing elections.

Print Name

Date

Signature