

This Agreement is made effective _____ between the _____ and Benico, Ltd.

In this Agreement, the party which is contracting to receive services is referred to as "Client", and the party providing the services is referred to as "Benico".

WHEREAS Benico has a background in employee benefits consulting, brokerage, and administrative support services and is willing to provide services to Client based on this background; and

WHEREAS Client wishes to have such services provided by Benico;

Therefore, the parties agree to the following:

- 1) **DESCRIPTION OF SERVICES.** The services Benico will provide includes but is not limited to:

Consulting Services (a-l):

- a) Represent Client in the renewal actions for each of its employee benefit plans and/or administrative services contracts, including (but not limited to) 401(k), Life/AD&D, health, dental, disability, administrative services, and wellness programs.
- b) Annually prepare specifications, take and analyze bids, and make recommendations for the replacement of employee benefit plan insurers / providers / administrators that are under contract with Client.
- c) Be responsible for the timely and successful transition of any coverage or administrative services due to a change in carrier or service provider for Client, including ...
 - Preparation of educational materials for distribution
 - Coordinate employee meetings
 - Verify ("scrub") employee enrollments and deliver the same to carriers and third party administrators.
- d) Review the level and types of employee benefit coverages offered through Client, and make recommendations for change when appropriate.
- e) Assist Client with respect to employee contribution modeling.
- f) Recommend cost containment strategies and techniques to Client with respect to its employee benefit plans.
- g) Provide periodic updates to Client on laws and regulations that relate to employer-sponsored employee benefit plans – e.g. COBRA, HIPAA, FMLA, ADEA, Medicare Part D, 401(k), etc. - and assistance, as needed, with respect to compliance with such.

- h) Third party COBRA compliance and administration will be provided through Benico's outsourced relationship with COBRASource (www.cobrasource.com).
- i) Provide a Premium Only Plan to Client using the MHM Resources Inc. document service and ongoing document compliance (Note: The MHM document incorporates new provisions for HSAs.).
- j) Recommend changes in benefit design and administrative arrangements when appropriate in light of changes in the healthcare and employee benefits industries.
- k) If/when requested, meet with the Client on matters related to Client's employee benefits.
- l) Provide advice and ideas as to how to maintain financial and rate stability.

Administrative Support and Account Management Services (m-t):

- m) Dedicated account management team comprised of two professionals – one designated as the lead account manager, and the other providing backup. Such professionals are accessible through Benico's national toll-free line (888-669-4883) to help employees and their families with:
 - Coverage questions
 - Claim resolution
 - Appeals of denied claims
- n) Provide training and support for the administrative staff of Client in the area of employee benefit administration.
- o) Provide assistance, as needed, to Client in the areas of claim payments, billing, eligibility, or enrollment.
- p) Provide assistance with employee communications.
 - i) For an additional fee, develop, launch, and maintain an HR / employee benefits portal known as Benergy™. The provision of this service includes the Ready Enroll feature (enrollment decision support, NOT online enrollment).
 - ii) Develop and implement planned program of regular payroll supplements to educate employees
 - iii) Write and produce additional payroll supplements as appropriate (plan changes, etc.)
 - iv) Assist Client in developing employee benefits enrollment kits.
- q) Actively monitor carriers' and other service providers' performance.
- r) Implement and/or facilitate employee benefit plan amendment requests.
- s) Coordinate the scheduling, as needed, of employee benefits enrollments with representatives from Client's employee benefits providers.
- t) Provide other service, assistance, and/or advice as may reasonably be requested or needed.

2) PERFORMANCE OF SERVICES. Benico shall determine the manner in

which the services are to be performed and the specific hours to be worked by Benico. Client will rely on Benico to work as many hours as may be reasonably necessary to fulfill Benico's obligations under this Agreement.

- 3) **REMUNERATION.** Client agrees that in consideration of the performance of services set forth in 1) above, Benico will be appointed as broker of record with the insurance companies that insure and administer the Client's life and health plans as well as any other employee benefit plans that may be implemented in the future while Client is under contract with Benico.

For all lines of coverage other than health insurance, Benico will be compensated through fully disclosed commissions that are paid by the insurance companies which underwrite and administer such coverage. With respect to health insurance, at the discretion and direction of Client Benico will receive remuneration either through commissions that are paid by the insurance company or through fees that are directly billed by Benico to Client. If Client decides to provide remuneration through broker commissions, Benico agrees to renegotiate the pricing of Client's health plan to reflect commissions that are equal to _____. Otherwise, if Client prefers a fee-for-service arrangement, the fee for health insurance will be _____ (_____ billed monthly in advance), and commissions will be altogether removed from the pricing of the health insurance plan.

- 4) **CONTRACT TERM.** This Agreement will be for an initial term of twelve (12) months, starting July 1, 2007 and expiring June 30, 2008. Renewals of this agreement will be done through written addendum, and they will each be for a term of at least one year.
- 5) **TERMINATION.** This agreement may be terminated by either party, with written notice of such termination being delivered at least 60 days prior to the end of a given contract term.
- 6) **RELATIONSHIP OF PARTIES.** It is understood by the parties that Benico operates as an independent contracting firm in the context of its business relationship with Client. Client will not provide fringe benefits, including health insurance benefits, paid vacation, or any other employee benefit, for the benefit of any of Benico's staff members.
- 7) **EMPLOYEES.** Any/all of Benico's employees who perform services for Client under this Agreement shall also be bound by the provisions of this Agreement.
- 8) **INJURIES.** Benico acknowledges its own obligation to obtain appropriate insurance coverage for the benefit of its employees. Benico further waives any rights to recovery from Client for any injuries that Benico personnel may sustain while performing services under this Agreement and that are a result

of the negligence of Benico or its employees.

- 9) **ASSIGNMENT.** Benico's obligations under this Agreement may not be assigned or transferred to any other person, firm, or corporation without the prior written consent of Client.
- 10) **CONFIDENTIALITY.** Client recognizes that Benico has and will have proprietary information which are valuable, special and unique assets of Client and need to be protected from improper disclosure. In consideration for the disclosure of such information, Benico agrees that it will not at any time or in any manner, either directly or indirectly, use any such information for its own benefit, or divulge, disclose, or communicate in any manner any information to any third party without the prior written consent of Client. Benico will protect such information and treat it as strictly confidential. A violation of this paragraph shall be a material violation of this Agreement.
- 11) **UNAUTHORIZED DISCLOSURE OF INFORMATION.** If it appears that Benico has disclosed (or has threatened to disclose) information in violation of this Agreement, Client shall be entitled to an injunction to restrain Benico from disclosing, in whole or in part, such information, or from providing any services to any party to whom such information has been disclosed or may be disclosed. Client shall not be prohibited by this provision from pursuing other remedies, including a claim for losses and damages.
- 12) **CONFIDENTIALITY AFTER TERMINATION.** The confidentiality provisions of this Agreement shall remain in full force and effect after the termination of this Agreement.
- 13) **RETURN OF RECORDS.** Upon termination of this Agreement, Benico shall deliver all records, notes, data, memoranda, models, and equipment of any nature that are in its possession or under its control and that are Client's property or relate to Client's business, except for copies of those records which may reasonably be retained pursuant to commonly known record retention standards.
- 14) **NOTICES.** All notices required or permitted under this Agreement shall be in writing and shall be deemed delivered when delivered in person or deposited in the United States mail, postage prepaid, addressed as follows:

IF for Client:

IF for Benico:

Mr. John P. Garven
President
Benico, Ltd.
11715 E. Main Street, P. O. Box 8

Huntley, IL 60142-0008

Either party may change such address from time to time by providing written notice to the other in the manner set forth above.

- 15) **ENTIRE AGREEMENT.** This Agreement contains the entire agreement of the parties and there are no other promises or conditions in any other agreement whether oral or written. This Agreement supersedes any prior written or oral agreements between the parties.
- 16) **AMENDMENT.** This Agreement may be modified or amended if the amendment is made in writing and is signed by both parties.
- 17) **SEVERABILITY.** If any provision of this Agreement shall be held to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable. If a court finds that any provision of this Agreement is invalid or unenforceable, but that by limiting such provision it would become valid and enforceable, then such provision shall be deemed to be written, construed, and enforced as so limited.
- 18) **WAIVER OF CONTRACTUAL RIGHT.** The failure of either party to enforce any provision of this Agreement shall not be construed as a waiver or limitation of that party's right to subsequently enforce and compel strict compliance with every provision of this Agreement.
- 19) **APPLICABLE LAW.** The laws of the State of Illinois shall govern this Agreement.

Party receiving services:

Client

By: _____
Title

Date: _____

Party providing services:

Benico, Ltd.

By: _____
John P. Garven, CLU, RHU
President

Date: _____