

NSFM BENEFIT PLAN - PARTICIPATION AGREEMENT

An agreement between the NSFM Benefits Plan (“Plan”) and Participating Organization (“Participant”)

[Enter name of municipality, town, village or other approved participating organization as defined in the Plan Governance Document]

Scope and Purpose:

The purpose of this Participation Agreement (“Agreement”) is to outline the guidelines for participation, cooperation, and collaboration between the Plan in the eligibility, administration, and communication of the Plan.

Nova Scotia Federation of Municipalities (NSFM) Group Benefits Plan (“Plan”)

The NSFM is the “Plan Sponsor” for the Plan. The Plan includes coverage for group life, disability, accidental death & dismemberment (AD&D), health and dental, and optional programs associated with participation in the Plan (i.e. early assistance, virtual health).

Governance

The NSFM has established a Health & Benefits Committee (“Committee”) to oversee the Plan. The Plan is subject to the current provisions and limitations of the insurance contracts and the underwriting agreements and plan design descriptions in place with carriers.

The Committee reports directly to NSFM Board of Directors and makes recommendations to the Board for approval as outlined in the Plan Governance Document.

Plan Structure:

To ensure equality within the NSFM Group Plan, the Plan is structured so that groups with enrolment exceeding 50 are transitioned to participate in Pool B as outlined in the Plan Governance document.

Pool A:

- < 50 participants
- Choice between health (3) and dental (3) plan design options
- Similar Life & LTD plan designs with flexibility of unique provisions

Pool B:

- > 50 participants
- Unique plan designs for all benefits
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Underwriting Arrangements

Health & Dental

The health and dental plan provided by the Plan is an Administrative Services Only (ASO) plan.

- Pool A: As the Plan Sponsor, the NSFM assumes the financial risk for claims under the plan, while utilizing the administrative services of a third-party provider to process and adjudicate the claims. Contributions made by the Pool A Participant are included in the ASO financial account for Pool A and any surplus or deficits are shared by Pool A and are the responsibility of the NSFM.
- Pool B: For Pool B, the Participant assumes the financial risk for claims under the plan, while utilizing the administrative services of a third-party provider to process and adjudicate the claims. Contributions made by the Participant are included in a separate financial account for the Pool B Participant. Pool B groups own and maintain the flexibility associated with its ASO financial account and are responsible for managing its own surplus and deficit.

Travel and Individual Large Amount Pooling (ILAP)

- There is insurance in place for Emergency Out of Country travel claims and for ILAP for high individual claim amounts.
- The emergency travel and ILAP are fully insured (i.e. rates based on insurer's pool/manual rates and the demographic/risk profile of the group).
- Thresholds for ILAP are reviewed annually by the HBC, governed by the insurance contract.

Basic Life and Disability

- Experience-rated, non-refund accounting arrangement.
- Rates are a function of both the claims experience and a manual rate based on size, demographic risk, plan design, and the insurer's overall block experience.

Association Allowance

Affiliated Municipalities are responsible to pay an Association Allowance to the Plan Sponsor. The Association Allowance is included in the established premium rates for the Plan and is remitted to the NSFM.

The Association Allowance may be amended from time to time as approved by the NSFM Board.

Confidentiality:

We understand and acknowledge that the information shared regarding employee benefit plans is of a sensitive and confidential nature. Both parties shall handle this information with the utmost care, ensuring compliance with applicable privacy laws and regulations.

Term and Termination:

This Agreement shall remain in effect until terminated by either party with a written notice of 60 days in advance.

In the event of termination, both parties shall work collaboratively to ensure a smooth transition of benefit plan administration and communication responsibilities.

A Participant that terminates participation in the Plan may not rejoin for a period of 3 years.

Administration

The Participant is responsible to understand and administer eligibility requirements and provisions of the Plan (i.e., manage and retain employee data and records, eligibility, enrollments and terminations, review billing and remit premium payments).

A Third-Party Administrator (TPA) is responsible to provide benefits administration services for the Plan, as well as premium billing and remittance. The Participant is responsible to assign an authorized user to access the TPA Benefits Portal to manage the benefits administration. The Portal also provides access to monthly premium calculations, billing, and remittances.

Dispute Resolution:

In the event of any disputes arising from or in connection with this Agreement, both parties agree to seek resolution through good faith negotiations and, if necessary, alternative dispute resolution methods.

By participating in the NSFM Benefits Plan, the Participant agrees with the following:

1. We are familiar with the terms and conditions of the Plan and the Plan Governance document.
2. We will abide by all terms and provisions of the Plan and Benefit Plan contracts and booklets.
3. We will pay the required premiums, on behalf of the Participant and its participating employees.
4. The Plan Sponsor will be held harmless from any loss or damages associated with the administration of the provisions within the Plan insurance contracts, as well as collection and maintenance of employee and dependent data that is associated with the Plan.

This Participation Agreement represents the mutual intent of both parties to establish a framework for cooperation in the administration and communication of employee benefit plans.

By signing below, we acknowledge our commitment to this Agreement.