



STOP LOSS POLICY

This policy is entered into by and between Lexington-Fayette Urban County Government ("Employer") and Anthem Insurance Companies Inc., 220 Virginia Ave, Indianapolis, IN 46204, d.b.a. Anthem Blue Cross and Blue Shield ("Anthem") for the purpose of establishing stop loss coverage and is effective as of 01/01/2025 upon the terms and conditions herein ("Policy").

If there are any inconsistencies between this Policy and any prior stop loss agreements or the Administrative Services Agreement between Anthem and Employer, the terms and conditions of this Policy shall control.

In consideration of the promises and the mutual covenants contained in this Policy, Anthem and Employer (the "Party" or "Parties" as appropriate) agree as follows:

ARTICLE 1 DEFINITIONS

For purposes of this Policy and any amendments, attachments, or schedules to this Policy, the following words and terms have the following meanings unless the context or use clearly indicates another meaning or intent. If a term is not defined, the term shall have the same meaning as defined in the Administrative Services Agreement between the Parties.

ELIGIBLE CLAIM DATE PERIOD. The dates during which Claims for benefits provided under the terms of the Plan must be Incurred and paid in order to be covered by this Policy.

ELIGIBLE CLAIMS EXPENSES. Benefits incurred by a Member that are payable under the Plan and that are not excluded under this Policy.

INCURRED. The date on which a supply is obtained or a service is rendered to a Member.

INVOICE DUE DATE. The date of the invoice provided to Employer indicating when payment is due.

LINES OF COVERAGE. The benefit plan(s) administered by Anthem and provided in Schedule A.

PAID CLAIM. A Claim for Covered Services rendered or supplies provided to a Member under the terms of the Plan, provided such Claim has been received, adjudicated, and paid by Anthem. Paid Claim shall have the same meaning as contained in the Administrative Services Agreement between the Parties, unless excluded as indicated in Sections 4(E) and 5(D) of Schedule A.

POLICY PERIOD. The period of time indicated in Section 1 of Schedule A.

SPECIFIC STOP LOSS LIMIT. The threshold total dollar amount of Paid Claims for which Employer is financially responsible with respect to a Subscriber or Member as indicated in Section 4(A) of Schedule A. Subject to the terms of this Policy, Anthem is financially responsible for Paid Claims in excess of the Specific Stop Loss Limit.

TRANSPLANT. A procedure or series of procedures by which an organ or tissue is either: (1) removed from the body of one person and implanted in the body of a Member; or (2) removed from and replaced in the Member's body.

USUAL AND CUSTOMARY. The most common charge for similar services, medicines, or supplies within the locality in which the charge is incurred.

ARTICLE 2 SPECIFIC STOP LOSS COVERAGE

- 2.1 When the total amount of Paid Claims pertaining to Subscribers or Members and Lines of Coverage provided in Sections 4(A) and 4(B) of Schedule A exceeds the Specific Stop Loss Limit provided in Section 4(C) of Schedule A, Anthem shall reimburse Employer for such excess.

Anthem's reimbursement under this Article 2 shall begin with the invoice on which the Specific Stop Loss Limit is exceeded.

Anthem Blue Cross and Blue Shield is the trade name of Anthem Health Plans of Kentucky, Inc. Independent licensee of the Blue Cross and Blue Shield Association. ANTHEM is a registered trademark of Anthem Insurance Companies, Inc. The Blue Cross and Blue Shield names and symbols are registered marks of the Blue Cross and Blue Shield Association.

- 2.2 In the event that the Specific Stop Loss Limit is reached, no amount in excess of the Specific Stop Loss Limit shall be applied towards attainment of any Aggregate Stop Loss Limit.
- 2.3 Certain Paid Claims may be excluded from the specific stop loss coverage provided in this Policy. These exclusions are provided in Section 4(E) of Schedule A as applicable.
- 2.4 For any reimbursement owed or made under this Article 2, Anthem shall be permitted to recoup or offset an amount equal to any prescription drug rebates received by Employer that are attributable to Eligible Claims Expenses of a Member whose Eligible Claims Expenses have met the Specific Stop Loss Limit, even if such rebates are received by Employer after the end of the Policy Period. The recoupment or offset shall be limited to the amount of the reimbursement that was made or would otherwise be made by Anthem absent the rebates. Employer shall provide documentation reasonably requested by Anthem as part of its Proof of Loss and within one year after payment under this Article 2 that demonstrates the value and the claims upon which any prescription drug rebates were received.

To the extent permitted by the Employer's PBM, Employer agrees to assign to Anthem its right to receive rebates from PBM that are attributable to Eligible Claims Expenses for Members whose Eligible Claims Expenses have met the Specific Stop Loss Limit, up to the limits set forth in the previous paragraph. Any payments of rebates pursuant to this assignment will continue to be credited to the amount of rebates paid by PBM to Employer pursuant to the administrative services agreement between PBM and Employer ("PBM ASA") and will be included in the calculation of any rebate guarantees offered to Employer under their PBM ASA.

ARTICLE 3 AGGREGATE STOP LOSS COVERAGE

This Article has been intentionally omitted.

ARTICLE 4 LIMITATIONS ON COVERAGE

- 4.1 Unless otherwise noted in Schedule A, Paid Claims for Members are covered under the term of the Eligible Claim Date Period of this Policy.
- 4.2 Claims that are covered by another contract shall not count toward the attainment of the stop loss limit(s) under this Policy. In addition, Paid Claims that are covered under the term of an Eligible Claim Date Period will not count toward attainment of any stop loss limit(s) under a subsequent Policy Period.
- 4.3 Under the Administrative Services Agreement, Employer may request Anthem to process and pay Claims that were denied by Anthem or take other actions with respect to the Plan that are not specifically provided in the Benefits Booklet. In such cases, payments shall not count toward the stop loss accumulators under this Policy unless otherwise agreed to in writing by Anthem.
- 4.4 If a Member does not enroll when first eligible or during a special enrollment period, the Member shall be considered a "Late Enrollee" as defined in the Benefits Booklet. Paid Claims for a Late Enrollee shall not apply towards the stop loss limits under this Policy unless Anthem first provides Employer with written approval and the effective date of coverage under this Policy. Anthem has the right to allow or deny stop loss coverage under this Policy for a Late Enrollee. Anthem shall not cover under this Policy any Late Enrollee not disclosed by Employer to Anthem.
- 4.5 A Claim incurred during the Eligible Claim Date Period but not paid until after the expiration of the Eligible Claim Date Period is not eligible for coverage under this Policy Period.
- 4.6 Eligible Claims Expenses in excess of Usual and Customary charges.

ARTICLE 5 SETTLEMENT

- 5.1 Within 90 days after the end of each Eligible Claim Date Period, Anthem shall furnish Employer with a settlement calculation and any additional data which, in Anthem's opinion, is needed to explain to Employer the settlement calculation. Anthem has the right to offset any amounts it owes to Employer under this Policy by any amount Employer owes under the Administrative Services Agreement, this Policy, or any other agreement with Anthem.
- 5.2 If, based on the settlement calculation for a Policy Period, Anthem must pay Employer an amount due under the terms of this Policy, Anthem shall pay Employer no later than 30 days after the settlement calculation subject to any right to offset any amounts owed to Employer.

If, based on the settlement calculation Employer must pay Anthem an amount under the terms of this Policy, then Employer shall pay Anthem no later than 30 days following receipt of the invoice.

ARTICLE 6 STOP LOSS PREMIUM RATES

The premium rates for the specific stop loss coverage provided in this Policy are indicated in Section 4(D) of Schedule A. The premium rates for the aggregate stop loss coverage provided in this Policy are indicated in Section 5(C) of Schedule A. Employer shall pay Anthem such amounts by the Invoice Due Date.

ARTICLE 7 LATE PAYMENT PENALTY

If Employer fails to timely pay any amount due to Anthem under this Policy, Employer shall pay a late payment penalty for each day the payment is late. The late payment penalty shall be calculated at the rate of 12% simple interest per annum (365 days), and shall be included on a subsequent invoice and payable by the Invoice Due Date. If applicable, Employer agrees to reimburse Anthem for any expenses charged to Anthem by a financial institution, Provider or Vendor due to Employer's failure to maintain sufficient funds in a designated bank account. Any acceptance by Anthem of late payments shall not be deemed a waiver of its rights to terminate this Policy for any future failure of Employer to make timely payments.

ARTICLE 8 CHANGES IN TERMS OR CONDITIONS

- 8.1 If Anthem offers to renew this Policy at the end of a Policy Period, then Anthem shall provide Employer with the terms and conditions of the proposed renewal in writing within the time period provided in Section 1 of Schedule A. Employer shall notify Anthem in writing of its selection from the renewal options by indicating its selection and signing Anthem's designated renewal form. If Anthem does not receive a signed acceptance of the renewal from Employer prior to the start of the next Policy Period, Employer's payment of the amounts provided in the renewal shall constitute Employer's acceptance of the terms. Anthem shall provide a revised Schedule A that will become part of this Policy without the necessity of securing Employer's signature.

8.2 **Policy Changes**

Anthem reserves the right to make changes to this Policy, to Schedule A, or other applicable Schedules at a time other than the start of a Policy Period upon the occurrence of one or more of the following events:

(1) a change to the Plan benefits initiated by Employer that results in a substantial change in the services as determined by Anthem; (2) a change in ownership (including but not limited to a merger, consolidation, or transfer of all or substantially all of Employer's assets); (3) a change in the total number of Members resulting in either an increase or decrease of 10% or more of the number of Members enrolled for coverage on the date the stop loss premium was last modified; (4) a change in Employer contribution; (5) a change in the nature of Employer's business resulting in a change in its designated Standard Industrial Classification ("SIC") code; or (6) a change in applicable law affecting this Policy or any of the Plan Documents.

Anthem shall provide Employer with at least 30 days' notice of changes and such change will be effective as of the date of any occurrence listed above. If such change is unacceptable to Employer, either Party shall have the right to terminate this Policy by giving written notice of termination to the other Party within 30 days of the change. If Employer accepts the proposed change, Anthem shall provide a revised Schedule A that will then become part of this Policy without the necessity of securing Employer's signature on the Schedule A.

8.3 **Signature Requirements**

No modification or change in any provision of this Policy, including but not limited to, changes at renewal, shall be effective unless and until approved in writing by an authorized representative of Anthem and evidenced by an amendment or new Schedule attached to this Policy.

- 8.4 Any payments made under this Policy shall only be for the benefit of Employer. Anthem has no obligation or liability under this Policy to provide benefits to Subscribers or Members. No Subscriber or Member shall have the right to any of the proceeds of any stop loss insurance obtained by Employer pursuant to this Policy.

**ARTICLE 9
SUBROGATION AND OTHER RECOVERIES**

Any subrogation or other recovery received by the Plan will not be used to satisfy any of the stop loss limits under this Policy. Anthem will first be repaid any amounts it has reimbursed under this Policy or under a previous stop loss agreement between the Parties. Any remaining recovery amounts shall be credited or paid to Employer as described in the Administrative Services Agreement.

**ARTICLE 10
TERMINATION**

- 10.1 This Policy automatically terminates as follows:
- 10.1.1 At the end of each Policy Period unless the Policy is renewed pursuant to Article 8 of this Policy.
 - 10.1.2 Upon the termination of the Administrative Services Agreement.
 - 10.1.3 At the end of the month in which fewer than 100 Subscribers are covered under the Plan.
 - 10.1.4 If Employer changes to a third party administrator other than Anthem for the Claims that are subject to this Policy.
- Upon termination of this Policy, the Parties shall remain liable for all payments due under this Policy.
- 10.2 Employer may terminate this Policy at any time other than at the end of a Policy Period by giving Anthem 90 days written notice of its intent to terminate.
- 10.3 Notwithstanding any other provision of this Article 10, this Policy automatically terminates, without further notice or action, if Employer fails to pay any premium amounts due under this Policy within 7 days of the date of Anthem's notice to Employer of a delinquent amount owed. Such termination shall be effective as of the last period for which full payment was made. Any acceptance of a delinquent payment by Anthem shall not be deemed a waiver of this provision for termination of this Policy. Delivery of payment to Anthem or Anthem's receipt and negotiation of a tendered payment through its automatic deposit procedures shall not be deemed acceptance or a waiver of such termination. If this Policy is terminated due to nonpayment of premium, Claims Run-out coverage, if any, will not apply.
- 10.4 Notwithstanding any other provision of this Policy, if Employer engages in fraudulent conduct or misrepresentation, Anthem may rescind, cancel, or terminate this Policy, effective on the date of the fraudulent conduct or misrepresentation regardless of the date Anthem discovered such conduct. Employer shall be liable to Anthem for any and all payments made, as well as losses or damages sustained by Anthem arising as a result of such Employer conduct.
- 10.5 In the event that this Policy terminates or is terminated prior to the end of a Policy Period, the stop loss limits under this Policy shall not be prorated, and Anthem shall not reimburse Employer for any Paid Claims unless the Specific Stop Loss Limit and/or the Aggregate Stop Loss Limit or the Minimum Aggregate Stop Loss Limit, if greater, have been met. Only amounts accumulated towards any stop loss limits under this Policy through the date of termination will be used in the determination of whether such limits have been met. Anthem shall have no obligation to refund to Employer any stop loss premiums paid by Employer under this Policy.
- If, based on the settlement calculation, Anthem must pay Employer an amount due under the terms of this Policy, Anthem shall pay Employer no later than 30 days after the settlement calculation subject to any right to offset any amounts owed to Employer.
- If, based on the settlement calculation Employer must pay Anthem an amount under the terms of this Policy, then Employer shall pay Anthem no later than 30 days following receipt of the invoice.

**ARTICLE 11
NOTICES**

- 11.1 Notices under this Policy shall be deemed sufficient when made in writing as follows: to Employer, by first class mail, personal delivery, electronic mail or overnight delivery with confirmation capability, to its principal office shown upon the records of Anthem; to Anthem, by first class mail, personal delivery, electronic mail or overnight delivery with confirmation capability, to the designated Anthem sales representative.
- 11.2 A notice or demand shall be deemed to have been given as of the date of deposit in the United States mail with postage prepaid or, in the case of delivery other than by mail, on the date of actual delivery at the appropriate address.

**ARTICLE 12
GENERAL PROVISIONS**

- 12.1 No failure or delay by either Party to exercise any right or to enforce any obligation herein and no course of dealing between Employer and Anthem shall operate as a waiver of such right or obligation or be construed as or constitute a waiver of the right to enforce or insist upon compliance with such right or obligation in the future. Any single or partial exercise of any right or failure to enforce any obligation shall not preclude any other or further exercise or the right to exercise any other right or enforce any other obligation.
- 12.2 Unless it has first obtained the written consent of an officer of the other Party, neither Party may assign this Policy to any other person. Notwithstanding the foregoing, Anthem may, with advance written notice to Employer, assign or otherwise transfer its rights and obligations hereunder, in whole or in part, to: (i) any affiliate of Anthem; or (ii) any entity surviving a transaction involving the merger, acquisition, consolidation, or reorganization of Anthem, or in which all or substantially all of Anthem's assets are sold. Additionally, Employer may, with advance written notice to Anthem, assign, delegate, or otherwise transfer its rights and obligations hereunder, in whole, to (i) any affiliate of Employer; or (ii) any entity surviving a transaction involving the merger, acquisition, consolidation or reorganization of Employer, or in which all or substantially all of Employer's assets are sold, provided that such affiliate or other assignee presents, in Anthem's opinion, an equivalent or better financial status and credit risk. Either Party is required to provide advance written notice under this provision only to the extent permissible under applicable law and the reasonable terms of the agreement(s) governing such merger, acquisition, consolidation, reorganization, or asset sale. If advance written notice is not allowed, notice shall be provided as soon as practicable. Upon receipt of notice of an assignment of this Policy, the other Party may terminate this Policy by providing the assigning Party with 30 days advance written notice of termination. Any assignee of rights or benefits under this Policy shall be subject to all of the terms and provisions of this Policy. Either Party may subcontract any of its duties under this Policy without the prior written consent of other Party; however, the Party subcontracting the services shall remain responsible for fulfilling its obligations under this Policy.
- 12.3 The payment of amounts under this Policy will not include any taxes which might be paid or payable by Employer; or any tax liability, interest, penalty, or assessment imposed by any regulatory or taxing authority or any state or federal health insurance exchange, uninsured pool or any other similar state or federal program. Employer agrees to reimburse Anthem for any tax liability, assessment, fee or other amount paid or payable by Employer that is assessed against Anthem on the basis of the stop loss coverage provided to Employer, including any amounts related to the assessment by the Federal government under the Patient Protection and Affordable Care Act and its amendments ("PPACA") and shall reimburse Anthem for the amount of any such tax liability incurred by Anthem and allocated to Employer as the result of such tax assessment. Such reimbursement shall be due and payable to Anthem by the Invoice Due Date.
- 12.4 No action by either Party alleging a breach of this Policy may be commenced after the expiration of 3 years from the date on which the claim arose.
- 12.5 Employer on behalf of itself and its participants, hereby expressly acknowledges its understanding that this Policy constitutes a contract solely between Employer and Anthem, that Anthem is an independent corporation operating under a license with the Blue Cross and Blue Shield Association, an association of independent Blue Cross and Blue Shield Plans, permitting Anthem to use the Blue Cross and Blue Shield Service Marks in the State of Kentucky and that Employer further acknowledges and agrees that it has not entered into this Policy based upon representations by any person other than Anthem and that no person, entity, or organization other than Anthem shall be held accountable or liable to it for any of Anthem's obligations to Employer created under this Policy. This paragraph shall not create any additional obligations whatsoever on the part of Anthem other than those obligations created under other provisions of this Policy.
- 12.6 If there is a conflict between the terms and conditions of this Policy and the Administrative Services Agreement between the Parties, the terms and conditions of this Policy shall prevail.
- 12.7 Anthem agrees that it will not terminate this Policy during an Eligible Claim Date Period due to adverse claim experience of Member(s).

**ARTICLE 13
ENTIRE AGREEMENT**

- 13.1 The following documents will constitute the entire description of stop loss coverage between the Parties: this Policy, including any applications, amendments and Schedules thereto.
- 13.2 This Policy supersedes any and all prior agreements between the Parties, whether written or oral, and other documents, if any, addressing the subject matter contained in this Policy.

- 13.3 If any provision of this Policy is held to be invalid, illegal or unenforceable in any respect under applicable law, order, judgment or settlement, such provision shall be excluded from the Policy and the balance of this Policy shall be interpreted as if such provision were so excluded and shall be enforceable in accordance with its terms.

**ARTICLE 14
INTENTIONALLY OMITTED**

IN WITNESS WHEREOF, the parties hereto have caused this Policy to be executed in duplicate by affixing the signatures of duly authorized officers.

Lexington-Fayette Urban County Government

Anthem Insurance Companies, Inc. d.b.a. Anthem Blue
Cross and Blue Shield

By: Linda Gorton

Title: Mayor

Date: 7/30/2025

By: Kevin Kyle

Title: RVP of Sales

Date: 8/29/25

SCHEDULE A
to the
STOP LOSS POLICY
with

Section 1. Term

The Policy Period shall be from 01/01/2025 through 12/31/2025. For purposes of this Policy Period, this Schedule shall supplement and amend the Stop Loss Policy between the Parties.

Anthem shall provide an offer to renew this Policy at least 30 days prior to the end of a Policy Period.

Jurisdiction of this Policy shall be in the state of Kentucky.

Section 2. Eligible Claim Date Period

Claims under the Plan shall be covered by the Stop Loss Policy when Incurred and paid as follows:

Incurred from January 01, 2015 through December 31, 2025 and

Paid from January 01, 2025 through December 31, 2025

The Eligible Claim Date Period applies only to a full Policy Period.

Section 3. Member Classification Excluded from Stop Loss Coverage

Not Applicable

Section 4. Specific Stop Loss Coverage

A. Application of Specific Stop Loss Coverage

Amounts accumulated toward the Specific Stop Loss Limit shall be calculated as follows:

Per Member

B. Lines of Coverage

The specific stop loss coverage shall apply to the following benefits under the Plan:

Medical with Prescription Drug & Embedded Vision

C. Specific Stop Loss Coverage Limits

Specific Stop Loss Limit

\$350,000.00

D. Premium Rates

The per Subscriber Premium Rates for the specific stop loss coverage shall be the following:

Medical with Prescription Drug

Composite	\$62.24	/mo.
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E. Paid Claims

For purposes of specific stop loss coverage, Paid Claims shall exclude the following:

Dental

Vision
Short Term Disability
Capitated Fees
Administrative Fees under the Blue Cross and Blue Shield Association BlueCard Program
Comprehensive Health Solutions Program Fees
All Claim Surcharges
Any surcharge listed in the invoice as "Other Charges and Credits"
Funds representing Employer allocation to Consumer Directed Health Plan accounts
Network Access Fees
Administrative Service Fees provided under Schedule A, Section 3 of the ASO Agreement.
End Stage Renal Disease when eligible for Medicare as Primary

Section 5. Aggregate Stop Loss Coverage

Not Applicable.

Section 6. Payment

ACH Demand Debit Reimbursement. Anthem will initiate an ACH demand debit transaction that will withdraw the amount due from a designated Employer bank account no later than the next business day following the Invoice Due Date; however, if the Invoice Due Date falls on either a banking holiday, a Saturday or a Sunday, the withdrawal shall be made on the following banking day.

Section 7. Premium Credit

Anthem shall credit premium for each retroactive deletion up to a maximum of 60 days.

Section 8. Maximums

Not Applicable

Section 9. Other Fees and Charges

Not Applicable

IN WITNESS WHEREOF, the parties hereto have caused this Policy to be executed in duplicate by affixing the signatures of duly authorized officers.

Lexington-Fayette Urban County Government

Anthem Insurance Companies, Inc. d.b.a. Anthem Blue Cross and Blue Shield

By: _____

By: Kevin Kyde

Title: _____

Title: RVP of Sales

Date: _____

Date: 5/29/25

ENDORSEMENTS SCHEDULE

This Endorsements Schedule to the Stop Loss Policy is effective 01/01/2025. This Schedule describes additional endorsements applicable to the Stop Loss Policy. If there are any inconsistencies between the terms of the Policy or Schedule A to this Policy and this Schedule, the terms of this Schedule shall control.

1. Premium Rates for the subsequent Policy Period will not exceed the current rates by more than 50% so long as no material changes to stop loss coverage, benefit design, commissions, or administration occur. If a material change occurs the additional increase in Premium Rates will be proportional to the change in question.
2. Anthem will not add any new member specific limits or exclusions to any current Members for the Policy Period.

Lexington-Fayette Urban County Government

Anthem Insurance Companies, Inc. d.b.a. Anthem Blue Cross and Blue Shield

By: _____

By: Kevin Kyde

Title: _____

Title: RVP of Sales

Date: _____

Date: 5/29/25