

MILLIMAN, INC.
BUSINESS ASSOCIATE AGREEMENT

This BUSINESS ASSOCIATE AGREEMENT (“Agreement”) is entered into effective the 8th day of May, 2018 (“Effective Date”) by and between The City of Norman, Oklahoma (“Company”) and Milliman, Inc., on behalf of itself and its Affiliates (“Milliman”).

RECITALS

A. Company is a Covered Entity as defined under the Health Insurance Portability and Accountability Act of 1996 (“HIPAA”) and is therefore subject to HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act, enacted as part of the American Recovery and Reinvestment Act of 2009 (“HITECH”), and the privacy standards adopted by the U.S. Department of Health and Human Services (“HHS”), 45 C.F.R. parts 160 and 164, Subparts A and E (“Privacy Rule”), the security standards adopted by the HHS, 45 C.F.R. parts 160 and 164, Subparts A and C (“Security Rule”), and the breach notification standards adopted by HHS, 45 C.F.R. part 164 Subpart D (“Breach Notification Standards”), as each may be amended from time to time (collectively, HIPAA, HITECH, the Privacy Rule, Security Rule and Breach Notification Standards shall be referred to herein as the “HIPAA Regulations”).

B. Protected Health Information received from Company or created or received by Milliman on behalf of Company (“PHI”) may be needed for Milliman to perform the services (the “Services”) requested by Company and described in any underlying agreement between the parties (the “Underlying Agreement”).

C. To the extent Milliman needs to access PHI to perform the Services, it will be acting as a Business Associate of Company and will be subject to certain provisions of the HIPAA Regulations.

D. Milliman and Company wish to set forth their understandings with regard to the use and disclosure of PHI by Milliman so as to comply with the HIPAA Regulations.

AGREEMENTS

In consideration of the Recitals and the mutual agreements below, the parties agree as follows:

1. Defined Terms.

(a) Affiliates. As used herein, “Affiliates” means Milliman and each legal entity that is directly or indirectly controlled by, controlling or under common control with Milliman (“control” means the ownership, direct or indirect, of the power to vote 50% or more of any class of voting securities of a corporation or limited liability company, or the ownership of any general partnership interest in any general or limited partnership) on or after the Effective Date and for so long as such entity remains directly or indirectly controlled by, controlling or under common control with Milliman.

(b) All other capitalized terms used, but not otherwise defined, in this Agreement shall have the same meaning as those terms in the HIPAA Regulations.

2. Milliman’s Obligations and Permitted Activities.

(a) Milliman agrees to not use or further disclose PHI other than as required to perform the Services, requested by Company or Required By Law, or as otherwise permitted herein. Milliman may not use or disclose PHI in a manner that would violate the Privacy Rule if done by Company, except for the specific uses and disclosures set forth in Sections 2(i) and 2(j) herein.

(b) Milliman agrees to use reasonable and appropriate safeguards to prevent use or disclosure of PHI other than as provided for by this Agreement, and shall develop, implement, maintain and use appropriate administrative procedures, and physical and technical safeguards, in accordance with the Security Rule, to reasonably preserve and protect the confidentiality, integrity, and availability of electronic PHI.

(c) Milliman agrees to report to Company, without unreasonable delay and in no case later than five (5) business days following actual knowledge by Milliman:

(i) Any use or disclosure of PHI not provided for by this Agreement.

(ii) Any Security Incident of which Milliman becomes aware; provided, however, that the parties acknowledge and agree that this section constitutes notice by Milliman to Company of the ongoing existence and occurrence of attempted but Unsuccessful Security Incidents of which no additional notice to Company shall be required. Unsuccessful Security Incidents shall include, but not be limited to, pings and other broadcast attacks on Milliman’s firewall, port scans, unsuccessful log-on attempts, denials of service and any combination of the above, so long as such incidents do not result in unauthorized access, use or disclosure of Company’s electronic PHI.

(iii) Any Breach of Unsecured PHI, as defined in 45 C.F.R. 164.402. Following the initial notification of any such Breach, Milliman shall provide a report to Company that includes, to the extent possible: [A] a brief description of what happened, including the date of occurrence and the date of the discovery by Milliman; [B] a description of the PHI affected, including the names of any Individuals whose PHI has been or is reasonably believed to have been accessed, acquired or disclosed

and the types of PHI involved (such as full name, social security number, date of birth, home address, account numbers, etc.); and [C] a brief description of what Milliman has done to investigate the Breach, to mitigate harm to Individuals, and to protect against any further Breaches. Milliman also shall provide to Company any other available information Company is required to include in its notification to affected Individual(s).

(d) Milliman agrees to ensure that any subcontractors that create, receive, maintain, or transmit PHI on behalf of Milliman agree to substantially the same restrictions and conditions as those that apply to Milliman with respect to such PHI.

(e) Milliman shall make its internal policies, procedures and records relating to the use and disclosure of PHI reasonably available to the Secretary if necessary or required to assess Milliman's or the Company's compliance with the HIPAA Regulations.

(f) It is not anticipated that Milliman will maintain a Designated Record Set on behalf of Company; however, if Milliman maintains a Designated Record Set on behalf of Company, Milliman agrees to, at Company's written request: (i) provide access to such PHI in order to assist Company in meeting its obligations under the Privacy Rule, and (ii) make any amendment(s) to such PHI as Company so directs or agrees to pursuant to the Privacy Rule.

(g) So that Company may meet its disclosure accounting obligations under the HIPAA Regulations, Milliman agrees to document disclosures of PHI made by Milliman which are not excepted from disclosure accounting requirements under the HIPAA Regulations and to provide such an accounting to Company at Company's written request.

(h) To the extent that Milliman is engaged to carry out one or more of Company's obligations under the Privacy Rule, Milliman shall comply with such requirements that apply to Company in the performance of such obligations.

(i) Milliman may use PHI for Milliman's proper management and administration or to carry out its legal responsibilities. Milliman may disclose PHI for Milliman's proper management and administration, provided that: (i) Milliman obtains reasonable assurances from the person to whom PHI is disclosed that it will remain confidential and used or further disclosed only as Required By Law or for the purpose for which it was disclosed to the person; and (ii) the person notifies Milliman of any instances of which it is aware in which the confidentiality of PHI has been breached. Milliman also may make disclosures that are Required By Law.

(j) Milliman may use PHI to provide Data Aggregation services to Company as permitted by the Privacy Rule.

(k) Milliman may de-identify PHI in accordance with the requirements of the Privacy Rule; provided that all identifiers are destroyed in accordance with this Agreement.

(l) Milliman may create a Limited Data Set for the purpose of providing the Services, provided that Milliman:

- (i.) Does not use or further disclose PHI contained in the Limited Data Set except as necessary to provide the Services or as provided for in this Agreement or otherwise Required By Law;
- (ii.) Uses appropriate safeguards to prevent the use or disclosure of PHI contained in the Limited Data Set other than as provided for by this Agreement;
- (iii.) Reports to Company any use or disclosure of PHI contained in the Limited Data Set of which Milliman becomes aware that is not provided for by this Agreement;
- (iv.) Ensures that any agents or subcontractors to whom it provides access to the Limited Data Set agree to substantially the same restrictions and conditions that apply to Milliman under this Agreement; and
- (v.) Does not re-identify PHI or contact the Individuals whose information is contained within the Limited Data Set.

(m) Milliman agrees to mitigate, to the extent practicable, any harmful effect that is known to Milliman of a use or disclosure of PHI by Milliman in violation of this Agreement.

3. Company's Obligations.

(a) Company shall not request Milliman to use or disclose PHI in any manner that would not be permissible under the Privacy Rule or the Security Rule if done by Company, except as otherwise permitted herein for purposes of Data Aggregation.

(b) Company shall clearly and conspicuously designate all PHI as such before providing it to Milliman.

(c) Company acknowledges and agrees that it shall be solely responsible for tracking and providing Individuals an accounting of any disclosures made by Company to Milliman.

(d) Company acknowledges and agrees that the provisions of Section 2(l) of this Agreement shall constitute a Data Use Agreement between the parties.

4. Term and Termination.

(a) Term. This Agreement shall be effective as of the date first written above, and shall terminate when all PHI is destroyed or returned to Company. If Milliman determines, in accordance with Section 4(c) below, that it is infeasible to return or destroy PHI, the protections of this Agreement with respect to such PHI shall remain in effect until such PHI is returned or destroyed.

(b) Termination. Upon Company's knowledge of a material breach or violation of Milliman's obligations under this Agreement, Company shall either:

- (i.) Provide an opportunity for Milliman to cure the breach or end the violation and terminate this Agreement if Milliman does not cure the breach or end the violation within the time specified by Company; or
- (ii.) Immediately terminate this Agreement if Milliman has breached a material term of this Agreement and cure is not possible.

(c) Obligations of Milliman Upon Termination. Upon termination of this Agreement, for any reason, Milliman shall:

- (i) Retain only that PHI which is necessary for Milliman to continue its proper management and administration or to carry out its legal responsibilities;
- (ii) Return to Company or destroy the remaining PHI that Milliman still maintains in any form ("Remaining PHI");
- (iii) Continue to use appropriate safeguards and comply with Subpart C of 45 C.F.R. Part 164 with respect to electronic PHI to prevent use or disclosure of the PHI, other than as provided for in this Section 4(c), for as long as Milliman retains the PHI;
- (iv) Not use or disclose the PHI retained by Milliman other than for the purposes for which such PHI was retained and subject to the same conditions set out at Section 2(i) above which applied prior to termination; and
- (v) Return to Company or destroy the PHI retained by Milliman when it is no longer needed by Milliman for its proper management and administration or to carry out its legal responsibilities.

(d) Infeasibility of Return or Destruction. If Milliman determines that returning or destroying the Remaining PHI is infeasible, the protections of this Agreement shall continue to apply to such PHI, and Milliman shall limit further uses and disclosures of PHI to those purposes that make the return or destruction infeasible, for so long as Milliman maintains such PHI.

5. Miscellaneous.

(a) Regulatory References. A reference in this Agreement to a section in the HIPAA Regulations means the section as in effect or as amended, and for which compliance is required.

(b) Amendment. The parties agree to take such action as is necessary to amend this Agreement from time to time in order to ensure compliance with the requirements of the HIPAA Regulations and any other applicable law.

(c) Independent Contractors. Milliman and Company are independent contractors and this Agreement will not establish any relationship of partnership, joint venture, employment, franchise or agency between Milliman and Company. Neither Milliman nor Company will have the power to bind the other or incur obligations on the other party's behalf without the other party's prior written consent, except as otherwise expressly provided in this Agreement.

(d) Conflicts. In the event that any terms of this Agreement are inconsistent with the terms of the Underlying Agreement, then the terms of this Agreement shall control.

(e) Entire Agreement. This Agreement shall constitute the entire agreement of the parties hereto with respect to the subject matter hereof and supersedes all prior agreements, oral or written, and all other communications between the parties hereto relating to such subject matter.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the date first written above.

MILLIMAN, INC., on behalf of itself and its
Affiliates

THE CITY OF NORMAN, OKLAHOMA

By James D Davis

By _____

Title Principal

Title _____

Services Agreement

Company:	<u>The City of Norman, Oklahoma</u>
Contact:	<u>Clint Mercer, Chief Accountant</u>
Address:	<u>201 West Gray, Building C</u>
	<u>Norman, Oklahoma 73069</u>
Telephone:	<u>(405) 217-7720</u>
Services Agreement	
Milliman Office:	<u>Dallas, Texas</u>
	Effective Date: May 8, 2018

This Services Agreement is entered into between Milliman, Inc. ("Milliman") and The City of Norman, Oklahoma ("Company") as of the Services Agreement Effective Date, May 8, 2018. Such services may be modified from time to time and may also include general consulting services. These terms and conditions will apply to all subsequent engagements of Milliman by Company unless specifically disclaimed in writing by both parties prior to the beginning of the engagement. Subject to the terms of this Agreement, Company hereby engages Milliman to provide the Services described herein for the plans set forth in the attached Schedule of Services, and Milliman hereby accepts such engagement. In consideration for Milliman agreeing to perform these services, Company agrees as follows.

Terms and Conditions

- Limitation of Liability.** Company agrees that in the case of a breach of this contract with Milliman that it will not seek damages in an amount that exceeds the total contract price. This limitation is null and void if the breach occurs as a result of the vendor's own fraud, willful injury to person or property or violation of law, whether willful or negligent.
- Disputes.** In the event of any dispute arising out of or relating to the engagement of Milliman by the Company, the parties agree that the dispute will be resolved by final and binding arbitration under the Commercial Arbitration Rules of the American Arbitration Association. The arbitration shall take place before a panel of three arbitrators. Within 30 days of the commencement of the arbitration, each party shall designate in writing a single neutral and independent arbitrator. The two arbitrators designated by the parties shall then select a third arbitrator. The arbitrators shall have a background in either insurance, actuarial science or law. The arbitrators shall have the authority to permit limited discovery, including depositions, prior to the arbitration hearing, and such discovery shall be conducted consistent with the Federal Rules of Civil Procedure. The arbitrators shall have no power or authority to award punitive or exemplary damages. The arbitrators may, in their discretion, award the cost of the arbitration, including reasonable attorney fees, to the prevailing party. Any award made may be confirmed in any court having jurisdiction. Any arbitration shall be confidential, and except as required by law, neither party may disclose the content or results of any arbitration hereunder without the prior written consent of the other parties, except that disclosure is permitted to a party's auditors and legal advisors.
- Choice of Law.** The construction, interpretation, and enforcement of this Agreement shall be governed by the substantive contract law of the State of New York without regard to its conflict of laws provisions. In the event any provision of this agreement is unenforceable as a matter of law, the remaining provisions shall stay in full force and effect.
- No Third Party Distribution.** Milliman's work is prepared solely for the internal business use of the Company. Milliman's work may not be provided to third parties without Milliman's prior written consent. Milliman does not intend to benefit any third party recipient of its work product, even if Milliman consents to the release of its work product to such third party.



Services Agreement

5. **Use of Name.** Company agrees that it shall not use Milliman’s name, trademarks or service marks, or refer to Milliman directly or indirectly in any media release, public announcement or public disclosure, including in any promotional or marketing materials, customer lists, referral lists, websites or business presentations without Milliman’s prior written consent for each such use or release, which consent shall be given in Milliman’s sole discretion.

6. **Indemnification.** Company agrees that it will be responsible for satisfying any losses, claims, damages, judgments, liabilities or reasonable expenses (including reasonable attorneys’ fees and expenses) of or against Milliman and its respective officers, employees and agents, resulting from or arising in connection with (i) inaccurate data provided by Company, or (ii) Company’s gross negligence or willful misconduct. Milliman agrees that it will be responsible for satisfying any losses, claims, damages, judgments, liabilities, reasonable expenses (including reasonable attorneys’ fees and expenses) of or against Company, its affiliates and its respective officers, employees and agents, or the Plan resulting from or arising in connection with Milliman’s gross negligence or willful misconduct. The term “affiliate” means any member of a controlled group of corporations or a group or trades or businesses under common control, within the meaning of Sections 414(b) and 414(c) of the Internal Revenue Code. This provision survives the termination of this Agreement.


7. **Terms of Agreement.** This Agreement will become effective as of the Services Agreement Effective Date and upon the signature of both parties, and will remain in effect until terminated by either party as provided herein. Either party may terminate this Agreement upon ninety (90) days prior written notice. Milliman will retain any records it has relating the Services provided under this Agreement for a period of three years following the termination of this Agreement.

8. **Payment of Fees and Expenses.** For the Services provided on or after the Services Agreement Effective Date, Company will pay or cause to be paid to Milliman the fees and expenses specified for such Services. Milliman will invoice Company or the Plan monthly, and all invoices will be paid within thirty (30) days of its receipt of the invoice.

9. **Direct Expenses.** Unless otherwise excepted, Milliman’s fee schedule is exclusive of direct expenses, including reasonable travel expenses, printing, shipping, and express mail charges, all of which are charged at cost; provided, however, that all such out-of-pocket expenses will be limited to reasonable costs and airline travel expenses will be limited to non-restricted coach fares.

10. **Additional Fees.** Milliman may assess additional fees for any Services requested by Company which are beyond the scope of the Services described in the attached schedule(s). Such fees will be determined based on standard hourly rates unless another basis is agreed to by Company. Milliman may assess additional fees at standard hourly rates for Services it performs as a result of inaccurate or incomplete data that is provided to Milliman by or on behalf of Company.

THE CITY OF NORMAN, OKLAHOMA	
<i>I have read and agree to the terms and conditions of this Agreement.</i>	
Accepted by: _____	
Printed Name: _____	
Title: _____	Date: _____

MILLIMAN, INC.	
<i>I have read and agree to the terms and conditions of this Agreement.</i>	
Accepted by: 	
Printed Name: <u>James D. Davis</u>	
Title: <u>Principal</u>	Date: <u>4/23/18</u>





Schedule A

GASB 75 Actuarial Services for
The City of Norman, Oklahoma

Included Entities:	The City of Norman, OK
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This document provides a description of Milliman, Inc.'s ("Milliman") actuarial consulting services and the framework on which Milliman's fees for these services are based. Unless otherwise indicated, these services are considered "Standard Services" and are provided for the fees outlined in the fee schedule that applies to these Services and are subject to the terms and conditions of the Services Agreement ("Agreement") effective as of May 8, 2018 between Milliman, Inc. ("Milliman"), and The City of Norman, Oklahoma ("Company"). In the event of a conflict between any term in this Schedule A and the terms and conditions of the Agreement, the terms and conditions of the Agreement shall apply, unless otherwise set forth in this Schedule A. Services outside the scope of Standard Services are "Additional Consulting Services" provided on a time-and-expense basis and are not included in the fees provided for Standard Services.

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- I. **Description of Actuarial Consulting Services**
 - II. **Fees for Actuarial Consulting Services**
-

I. DESCRIPTION OF ACTUARIAL CONSULTING SERVICES

A. Basic Consulting Services

GASB 75 Analysis

- 1) Data Collection
 - We will gather requested information from The City of Norman related to other post-employment benefits (OPEBs) offered to retirees. This will include the prior actuarial valuation report, so that we may assess the reasonability of the baseline assumptions and valuation results. Upon the review of the prior valuation, we will discuss any proposed changes in advance of completing the updated results.
- 2) Valuation
 - We will perform calculations in accordance with GASB guidance and current actuarial standards of practice. Key computations will include the OPEB liability, the annual required contribution, and projected future benefit payments.
- 3) Sensitivity Analysis
 - We will provide sensitivity analysis to demonstrate the impact of variation in the assumed discount rate and other key assumptions. This information will be valuable in identifying the key drivers of expected cost of associated with providing OPEBs to retirees.
- 4) Meeting to Present Results
 - We will meet with you via WebEx or conference call to present valuation results and discuss important issues.
- 5) Financial Statement Preparation

We will assist your auditors, as necessary, to review the GASB 75 section of the financial statement to assure that the disclosed information is consistent with our valuation results.

B. Additional Consulting Services

Additional actuarial consulting not included in our Basic Services that may be needed from time to time as approved in advance by Company. Examples include responding to requests from auditors, benefit plan change analyses, funding alternatives, other financial projections, and communication projects.

II. FEES FOR ACTUARIAL CONSULTING SERVICES

This is a not-to-exceed fee project based on the Basic Consulting Services listed in **Section I. Description of Actuarial Consulting Services**. Milliman will notify the Company of any change in this fee schedule prior to such change becoming effective in the event out-of-scope work is anticipated. The fee is due, in full, once the report has been presented and finalized. Milliman periodically may adjust this fee schedule by the percentage increase in the Consumer Price Index for all Urban Consumers (CPI-U) with respect to measurement periods occurring after the Services Agreement Effective Date of this agreement.

GASB 75 Fee Assumptions

The estimated fees are based on the following assumptions:

- There are approximately 758 active employees
- There are approximately 36 retirees and beneficiaries
- There is one medical option available to retirees.
- Travel and other out-of-pocket expenses are billed separately.

Estimated Fees

Phase	Fee
6/30/2018 GASB 75 valuation *This includes \$10,000 for the standard valuation and \$2,000 for converting to GASB 75	\$12,000
6/30/2019 GASB 75 roll-forward valuation (using 6/30/2018 data and claims information)	\$2,000
6/30/2020 GASB 75 valuation *If you prefer that Milliman make an on-site final presentation, our fees will be an additional \$1,000.	\$10,000
Plan Design and Funding Analysis	Provided as needed and based on scope

If a material difference in fees becomes evident due to a change in the scope of the assignment, we will advise you.

Special Projects and Consulting

For any out-of-scope actuarial services Milliman performs at the request of Company where a mutually negotiated fee is not requested, Milliman will bill for the time it takes to complete such services using the current hourly rates that are periodically reviewed and subject to change. As of the Services Agreement Effective Date of this agreement, Milliman's current hourly rates are as follows:

Actuarial Position	Hourly Rate
• Relationship Manager	\$350 - \$570
• Local Consulting Team (Senior Consultant, Consultant, Analyst)	\$250 - \$450
• Actuarial (Consulting Actuary, Actuarial Analyst)	\$300 - \$500
• Communications Consultant	\$200 - \$350
• Compliance Consultant	\$250 - \$400



Schedule B

On-The-Job Injury Claims Actuarial Services for
The City of Norman, Oklahoma

Included Entities:	The City of Norman, OK
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This document provides a description of Milliman, Inc.'s ("Milliman") actuarial consulting services and the framework on which Milliman's fees for these services are based. Unless otherwise indicated, these services are considered "Standard Services" and are provided for the fees outlined in the fee schedule that applies to these Services and are subject to the terms and conditions of the Services Agreement ("Agreement") effective as of May 8, 2018 between Milliman, Inc. ("Milliman"), and The City of Norman, Oklahoma ("Company"). In the event of a conflict between any term in this Schedule B and the terms and conditions of the Agreement, the terms and conditions of the Agreement shall apply, unless otherwise set forth in this Schedule B. Services outside the scope of Standard Services are "Additional Consulting Services" provided on a time-and-expense basis and are not included in the fees provided for Standard Services.

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- I. Description of Actuarial Consulting Services**
 - II. Fees for Actuarial Consulting Services**
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I. DESCRIPTION OF ACTUARIAL CONSULTING SERVICES

A. Basic Consulting Services

On-The-Job Injury Claims Analysis

Milliman will provide the Company with the following services:

- Estimate unpaid claim liability for WC losses and allocated loss adjustment expenses (ALAE, to the extent provided in the historical data) as of June 30, 2018.
- Provide a range of reasonable estimates of the unpaid claim liability, if requested.

Results will be provided on both a nominal (undiscounted) and discounted basis. Milliman will also be available throughout the year to address any questions from management or the Company's auditors and to provide any other necessary follow-up support.

B. Additional Consulting Services

Additional actuarial consulting not included in our Basic Services may be needed from time to time as approved in advance by Company.

II. FEES FOR ACTUARIAL CONSULTING SERVICES

On-The-Job Injury Claims Fee Assumptions

Our professional fees are typically based on the amount of time spent on the project, multiplied by our standard hourly billing rates. In addition, we are reimbursed for direct out-of-pocket expenses incurred such as travel, lodging, and shipping expenses.

For the next three years, we agree to provide the proposed services described above for a flat, fixed fee per annual analysis.

Phase	Annual Cost for WC Analysis
2018	\$7,500
2019	\$7,500
2020	\$7,500

*Fees to be invoiced from the Property & Casualty office located in Richardson, Texas.