

## Emergency Grace Period Premium Deferral Program Agreement

This Emergency Grace Period Premium Deferral Program Agreement (the “Agreement”) is entered into as of \_\_\_\_\_, 2020 (the “Effective Date”) between Horizon Healthcare Services, Inc. dba Horizon Blue Cross Blue Shield of New Jersey (“Horizon”), and (“Group”). Horizon and Group are hereinafter sometimes referred to individually as a “Party” or collectively as the “Parties.”

WHEREAS, the New Jersey Department of Banking and Insurance (“DOBI”) issued Bulletins 20-12, 20-13 and 20-14 (“Bulletins”) on April 10, 2020, which implement Executive Order No. 123, and provide for an extended 60 day grace period for premium payments in the small employer, large group, and Medicare supplemental markets subject to conditions set forth in the Bulletins and detailed below;

WHEREAS, in light of the COVID-19 public health emergency and its resulting economic impact on Group, Group requests, and Horizon agrees to provide, a grace period extension from 31 days to 60 days to allow Group to continue to provide health insurance to its members during the public health emergency (the “Emergency Grace Period”);

WHEREAS, the Emergency Grace Period for Group’s premium payment shall begin with either the premiums due for April or May 2020, depending on the Group’s election;

WHEREAS, the deferred premiums during the Emergency Grace Period (“Deferred Premiums”) shall be repaid by Group to Horizon over a maximum of six monthly installments (the “Repayment Period”) beginning with either the June or July premium, depending upon the selection of April or May 2020 to initiate the premium payment deferral during the Emergency Grace Period. In accordance with the deferred premium and repayment process set forth in Section 5 below, Group shall pay the Deferred Premiums in addition to each monthly premium payment that is due during the Repayment Period;

WHEREAS, under the federal Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”), many employers are eligible for expanded business loans through the Small Business Administration, including a forgivable loan that will cover payroll expenses, including premiums, for health benefits coverage and Group will make best efforts to apply for governmental financial assistance pursuant to Section 2 below; and

NOW THEREFORE, in consideration of the conditions and terms set forth below, the Parties, intending to be legally bound, agree as follows:

1. Eligibility. To be eligible to initiate the Emergency Grace Period, Group must be current and have paid their March 2020 premium.
  - a. In addition to satisfying the Eligibility requirement set forth in Paragraph 1 above, if Group is a large group with 51 or more members, Group must submit to Horizon, an attestation stating the Group is experiencing a financial

hardship caused by COVID- 19 that is making it difficult to make its monthly premium payments. The attestation must be signed by Group's senior financial officer or certified public accountant and must be submitted with this executed Agreement.

2. COVID-19 Governmental Financial Assistance. Group shall use best efforts to apply for funding available under CARES Act funding programs through the U.S. Small Business Administration or funding available under any other state or federal financial assistance, such as the Paycheck Protection Program, SBA disaster relief loan, New Jersey Economic Development Authority grants or others for which Group may be eligible.
3. Remittance. Group agrees to remit the deferred premium for April or May 2020 as described in Section 5 of this Agreement.
4. Electing Your Emergency Grace Period. Group elects to initiate the Emergency Grace Period beginning \_\_\_\_\_(April or May of 2020). For an Emergency Grace Period beginning with your April coverage, the signed Agreement must be submitted to Horizon no later April 30, 2020. For an Emergency Grace Period beginning with your May coverage, the signed Agreement must be submitted to Horizon no later than May 15, 2020. If Group is a large group, it must also submit a signed attestation as referenced in Paragraph 1(a) above with the signed Agreement by the dates indicated above.
5. Deferred Premium and Repayment Process. After the Emergency Grace Period, Group may amortize any unpaid premium over the Repayment Period. Deferred Premiums must be repaid over the Repayment Period, unless repaid sooner. When Horizon invoices Group, the monthly invoices will include the amortized portion of the unpaid balance of Deferred Premiums until the balance is paid in full. Group will pay their regularly invoiced monthly premium, together with the amortized portion of the unpaid balance of the Deferred Premiums, for each month of the Repayment Period. The Repayment Period will begin with the due date for Group's June premium if Group's Emergency Grace Period began with its April coverage, or July premium if Group's Emergency Grace Period begins with its May coverage. Group is required to timely remit payment in full for the invoices for each month of the Repayment Period until the Deferred Premiums are repaid in full. For avoidance of doubt, payment in full shall mean the payment of the monthly premium, any disputed premium amounts, and the pro rata share of the Deferred Premiums over the Repayment Period. If Group fails to timely remit payment in full for each month of the Repayment Period, this Agreement shall automatically terminate as described in Section 7 of this Agreement.
6. Confidentiality. The Parties agree the Agreement and the terms of the Agreement are confidential and shall not be disclosed by either Party without the written consent of the other Party. In the event of a breach of this provision, the non-breaching Party has the right to immediately terminate the Agreement.
7. Termination. The Agreement shall automatically terminate upon the earlier of the following events:

- (1) When Group makes the final required payment for Deferred Premiums to Horizon;
- (2) When Group fails to make any of the required payments for Deferred Premiums to Horizon over the Repayment Period;

In the event that Group's insurance contract is terminated before the Agreement automatically terminates, any outstanding premium, including Deferred Premiums, will be immediately due and owing to Horizon. Group acknowledges that Horizon has not waived any premiums and that Group remains responsible to pay all premiums due under its insurance contract.

IN WITNESS WHEREOF, the Parties, intending to be legally bound, have executed this Agreement through their duly authorized representative as of the Effective Date.

**Name of Group**

**Horizon Blue Cross Blue Shield of New Jersey**

**By:** \_\_\_\_\_

**By:** \_\_\_\_\_

**Name:**

**Name:**

**Title:**

**Title:**

Group Name and Number \_\_\_\_\_