

County of San Bernardino**SHORT TERM and LONG TERM DISABILITY
PERFORMANCE GUARANTEE AGREEMENT
FULLY INSURED****Effective Date: July 18, 2020****DEFINITIONS**

For the purpose of this Performance Guarantee Agreement, the following definitions apply:

"Book of Business" shall mean all customers with Group Disability Income Insurance: Short Term Benefits and Group Disability Income Insurance: Long Term Benefits insurance coverage issued by MetLife.

"Claim Office" shall mean claim processing performance with respect to all customers in MetLife's Aurora claim office with Group Disability Income Insurance: Short Term Benefits and Group Disability Income Insurance: Long Term Benefits insurance coverage issued by MetLife.

"Confidential Information" means statistical and other information that is identified by a Party as commercially valuable, confidential, proprietary, or trade secret.

"Customer Specific" shall mean claim processing performance with respect to the Policyholder's Group Disability Income Insurance: Short Term Benefits and Group Disability Income Insurance: Long Term Benefits insurance coverage issued by MetLife.

"MetLife" means Metropolitan Life Insurance Company.

"Participant(s)" means a current or former employee of Policyholder, who is eligible and enrolled for Plan Benefits.

"Party(ies)" means (a) signatory(ies) to this Performance Guarantee Agreement.

"Plan Benefits" means, collectively, all benefits of whatever nature payable to a Participant, under and subject to the terms and conditions of those benefits under the Policy.

"Policy" means the Group Insurance Policy number issued by MetLife to County of San Bernardino, effective July 18, 2020.

"Policyholder" means County of San Bernardino.

"Policy Period(s)" means the period beginning on January 1 of a calendar year and ending on December 31 of that same calendar year. The first Policy Period will begin on July 18, 2020 and will end on December 31, 2020. The second Policy Period will begin on the January 1 and will end on the December 31 immediately following the first Policy Period. Later Policy Periods may be agreed to by MetLife and the Policyholder. If a later policy period is agreed upon, it will be a twelve month period beginning on January 1 of the calendar year. In no event will a Policy Period include any period of time beyond the date of termination of the Policy.

"Total Premium" means the total amount of premium under the Policy for that Policy Period with respect to Disability Income Insurance: Short Term Benefits and Disability Income Insurance: Long Term Benefits Insurance premium.

Quality Management Program (“QMP”):

Under this Agreement, Plan Benefits will be administered by a claim processing and customer service team responsible for multiple Policyholders. However, the performance standards set forth in **Section C of this Performance Guarantee Agreement** will be measured based on Customer Specific results as outlined in this **QMP Section** and the performance standards set forth in **Sections A, B and D of this Performance Guarantee Agreement** will be measured based on the Claim Office results as outlined in this **QMP Section**.

The measurements will be pursuant to the following provisions:

1. Quarterly, MetLife will perform an audit of randomly selected claims with a sample which MetLife deems appropriate of the STD annual receipts and of the LTD annual receipts (excluding **Special Handling Unit “SHU”** claims) to monitor performance standards set forth in this Agreement. The audit process will utilize MetLife’s QMP protocols.
2. The results of each periodic audit will be recorded and reported as necessary (at least annually) to the account team and the operations unit by the QMP department.
3. The QMP department will provide a summary to the account team, who will share annually (with quarterly updates) with the Policyholder.
4. The Parties understand and agree that MetLife may change the Quality Management Program from time to time without advance notice from MetLife to the Policyholder. However, such changes will not affect the statistical accuracy of the measurement of MetLife’s performance. MetLife will make every reasonable effort to provide the Policyholder with reasonable advance notice of any material changes. At any time, MetLife will provide the Policyholder, upon request, with an explanation of the methodology then currently used in the QMP. Policyholder agrees that information furnished to Policyholder’s designated representatives regarding results and/or details about the QMP itself will be treated as Privileged and Confidential Information.
5. At Policyholder’s discretion, it may select an internal MetLife auditor or a mutually agreed upon external auditor to verify the QMP results. Such audit will be based on a mutually agreed upon sub-sampling of the QMP results for a quarter. Policyholder agrees to be responsible for all expenses incurred as a result of conducting such audit. In the event of any disagreement as to the QMP results and that of Policyholder’s audit, Policyholder agrees to be responsible for any additional expenses incurred by MetLife following the initial QMP audit, if MetLife successfully refutes Policyholder’s audit findings.

A. Financial Accuracy:

1. For the purposes of this Agreement, “**Financial Accuracy**” is defined as the performance standard used to evaluate claim benefit accuracy in dollar amounts. For each Policy Period, the “**Financial Accuracy Rate**” will be determined by the following formula:

$$\frac{\text{Benefit Dollars in Sample Paid Correctly}^1}{\text{Benefit Dollars in Sample}}$$

2. MetLife agrees to achieve a Financial Accuracy Rate for each Policy Period, determined in accordance with the preceding item (1) of ninety-nine percent (99%).
3. Subject to the provisions of **Section M** of this **Performance Guarantee Agreement**, MetLife agrees that if its Financial Accuracy Rate falls below the agreed upon standard, MetLife will pay the Policyholder a penalty of:
 - one-tenth of one percent (.1%) for Disability Income Insurance: Short Term Benefits; and
 - one-half of one percent (.5%) for Disability Income Insurance: Long Term Benefits;Total Premium paid by Policyholder to MetLife for that Policy Period, (“**Financial Accuracy Penalty**”).

¹ In the calculation of financial accuracy we use the absolute value of both over and under payments.

4. MetLife will determine whether it has met the performance standard set forth in this **Section A** for each Policy Period. Such determination shall be based on a review of the Financial Accuracy of claims processed in accordance with the provisions set forth in the QMP Section of this Agreement.
5. MetLife will calculate and report to the Policyholder the Financial Accuracy Penalty, if any, at the end of each Policy Period.
6. MetLife will remit payment of the Financial Accuracy Penalty, if any, within ninety (90) days of the date MetLife reports the final amount.

B. Statistical Coding Accuracy (Data Entry):

1. For the purposes of this Agreement, “**Statistical Coding Accuracy**” is defined as the performance standard used to evaluate QMP claim processing performance with respect to claim data line entries. A “**Statistical Error**” is defined as inaccurate entry of data that directly impacts the ability to process a Participant’s Disability claim in accordance with the applicable Plan. It excludes payment errors monitored in the Financial Accuracy Guarantee set forth in Section A of this Agreement. For each Policy Period, the “**Statistical Coding Accuracy Rate**” will be determined by the following formula:

$$\frac{\text{Data Entry Items in Sample Correct}}{\text{Data Entry Items in Sample}}$$

2. MetLife agrees to achieve a ninety-seven percent (97%) Statistical Coding Accuracy Rate for each Policy Period, determined in accordance with the preceding item (1).
3. Subject to the provisions of **Section M** of this **Performance Guarantee Agreement**, MetLife agrees that if its Statistical Coding Accuracy Rate falls below ninety-seven percent (97%), MetLife will pay Policyholder a penalty of one-tenth of one percent (.1%) of the Total Disability Income Insurance: Short Term Benefits Premium paid by Policyholder to MetLife for that Policy Period, (“**Statistical Coding Accuracy Penalty**”).
4. MetLife will determine whether it has met the performance standard set forth in this **Section B** for each Policy Period. Such determination shall be based on a review of the Statistical Coding Accuracy of claims processed in accordance with the provisions set forth in the QMP Section of this Agreement.
5. MetLife will calculate and report to the Policyholder the Statistical Coding Accuracy Penalty, if any, at the end of each Policy Period.
6. MetLife will remit payment of the Statistical Coding Accuracy Penalty, if any, within ninety (90) days of the date MetLife reports the final amount.

C. Initial Decision – Disability Income Insurance: Short Term Benefits:

1. For the purposes of this Agreement, “**Initial Decision**” is defined as the performance standard used to measure the period of time which transpires from the date MetLife receives all of the information necessary to make a claim decision to the date the initial claim determination is documented within the claim file. For each Policy Period, the “**Initial Decision Rate**” will be determined by the following formula:

$$\frac{\text{Total Initial Decision days}}{\text{Initial Decision Items in Sample}}$$

2. Subject to the provisions of **Section M** of this **Performance Guarantee Agreement**, MetLife agrees that if its Initial Decision Rate is more than an average of two (2) business days, MetLife will pay Policyholder a penalty of fifteen hundredths of one percent (.15%) of the Total Disability Income Insurance: Short Term Benefits Premium paid by Policyholder to MetLife for that Policy Period, (“**Initial Decision Penalty**”).

3. MetLife will determine whether it has met the performance standard set forth in this **Section C** for each Policy Period. Such determination shall be based on a review of the Initial Decision Rate of claims in accordance with the provisions set forth in the QMP Section of this Agreement.
4. MetLife will calculate and report to the Policyholder the Initial Decision Penalty, if any, at the end of each Policy Period.
5. MetLife will remit payment of the Initial Decision Penalty, if any, within ninety (90) days of the date MetLife reports the final amount.

D. Initial Decision – Disability Income Insurance: Long Term Benefits:

1. For the purposes of this Agreement, “**Initial Decision**” is defined as the performance standard used to measure the period of time which transpires from the date MetLife receives all of the information necessary to make a claim decision to the date the initial claim determination is documented within the claim file. For each Policy Period, the “**Initial Decision Rate**” will be determined by the following formula:

$$\frac{\text{Total Initial Decision days}}{\text{Initial Decision Items in Sample}}$$

2. Subject to the provisions of **Section M** of this **Performance Guarantee Agreement**, MetLife agrees that if its Initial Decision Rate is more than an average of five (5) business days, MetLife will pay Policyholder a penalty of one-half of one percent (.5%) of the Total Disability Income Insurance: Long Term Benefits Premium paid by Policyholder to MetLife for that Policy Period, (“**Initial Decision Penalty**”).
3. MetLife will determine whether it has met the performance standard set forth in this **Section D** for each Policy Period. Such determination shall be based on a review of the Initial Decision Rate of claims in accordance with the provisions set forth in the QMP Section of this Agreement.
4. MetLife will calculate and report to the Policyholder the Initial Decision Penalty, if any, at the end of each Policy Period.
5. MetLife will remit payment of the Initial Decision Penalty, if any, within 90 days of the date MetLife reports the final amount.

E. Telephone Service Guarantee:

1. MetLife agrees to maintain a service level that provides for one-hundred percent (100%) of all incoming intake calls received by the customer service center to be answered within thirty (30) seconds (“**Telephone Response Time**”). Response time will be measured from the time the caller completes the prompts of the automated telephone system to the time the caller reaches a customer service representative.
2. MetLife agrees to maintain a level of service that provides for ninety-seven percent (97%) of incoming intake calls received by the customer service center to be answered without the caller hanging up. The (“Abandonment Rate”) is defined as the number of incoming calls not reaching a customer service representative divided by the total number of incoming calls expressed as a percentage
3. MetLife will determine the Telephone Response Time and the Abandonment Rate based on reports prepared by MetLife for each Policy Period. Measurement and reporting will be based on Book of Business and not the activity of a specific customer.
4. Subject to the provisions of **Section M** of this **Performance Guarantee Agreement**, MetLife agrees that if its Telephone Response Time is less than one-hundred percent (100%) off all incoming intake calls answered within thirty (30) seconds, MetLife will pay the Policyholder a penalty of:
 - one-tenth of one percent (.1%) for Disability Income Insurance: Short Term Benefits; and
 - one-tenth of one percent (.1%) for Disability Income Insurance: Long Term Benefits;

Total Premium paid by Policyholder to MetLife for that Policy Period,, (“**Telephone Response Time Penalty**”).

5. Subject to the provisions of **Section M** of this **Performance Guarantee Agreement**, MetLife agrees that if its Abandonment Rate exceeds three percent (3%) of all incoming calls, MetLife will pay the Policyholder a penalty of:

- one-tenth of one percent (.1%) for Disability Income Insurance: Short Term Benefits; and
- one-tenth of one percent (.1%) for Disability Income Insurance: Long Term Benefits;

Total Premium paid by Policyholder to MetLife for that Policy Period, (“**Abandonment Rate Penalty**”).

6. MetLife will calculate and report to Policyholder the Telephone Service Penalty, if any, at the end of each Policy Period.
7. MetLife will remit payment of the Telephone Service Penalty, if any, within ninety (90) days of the date MetLife reports the final amount.
8. MetLife reserves the right to re-evaluate the Telephone Service Guarantee set forth in this **Section G** if any of the following situations occur:
 - a. There is a Policy design change or an enrollment option change before or during a Policy Period. If such event occurs, MetLife will have the right to unilaterally modify or change this Telephone Service Guarantee for the subsequent Policy Period;
 - b. An unusual or catastrophic event beyond MetLife's control occurs, including, but not limited to acts of God, performance failures of parties outside of MetLife's control, or any other unusual or catastrophic event that occurs without any fault on the part of MetLife which (i) temporarily generates a number of Incoming Calls which is greater than the number of Incoming Calls usually expected or (ii) temporarily decreases the capacity of the customer service telephone line. If such an unusual or catastrophic event does occur, the performance obligations to be met under this Telephone Service Guarantee will not be in effect during the period of time that such event occurs and will not be considered in MetLife's determination of its Telephone Service Level and Abandonment Rate.

F. Account Management Survey Guarantee:

1. For each Policy Period, MetLife agrees to conduct a survey through the use of a third party vendor to determine the Policyholder's satisfaction with the client services during a Policy Period (“**Account Management Survey**”). MetLife will receive from designated customer respondents, an average for the year of at least a 5 rating on a 7 point scale to the question “Overall Satisfaction with the MetLife Account Team.” If the Policyholder chooses not to participate in the Account Management Survey, MetLife will not be subject to the penalty of this guarantee.

Performance measurements will include:

- a. Acknowledge all telephone/emails from the Policyholder within one business day establishing a clear expectation for timely resolution of the request.
 - b. Communications (verbal & written) as well as face to face meetings with the Policyholder are regular as defined by the Policyholder and the Account Team.
 - c. Account Team is consultative and solutions oriented utilizing knowledge of products & services to complement the Policyholder's plan.
 - d. Concerns with the Policyholder's plan are identified and addressed in a timely manner.
 - e. Expert knowledge of the Policyholder's plan including specific program requirements.
2. MetLife, in its sole discretion, will determine whether it has achieved these guarantees as set forth in this **Section F**.

3. Subject to the provisions of **Section M** of this **Performance Guarantee Agreement** if MetLife fails to fulfill its obligations as set forth in this **Section F**, resulting in an average for the year of less than a 5 rating on a 7 point scale to the question "Overall Satisfaction with the MetLife Account Team", for each Policy Period MetLife will pay Policyholder a penalty of two-tenths of one percent (.2%) of the Total Premium paid by the Policyholder to MetLife for that Policy Period ("**Account Management Survey**").
4. MetLife will calculate and report to Policyholder the Account Management Survey Penalty, if any, at the end of the Policy Period.
5. MetLife will remit payment of the Account Management Survey Penalty, if any, within ninety (90) days of the date MetLife reports the final amount.

G. Quarterly Administration Management Review Meetings Guarantee:

1. For each Policy Period, MetLife agrees to schedule and conduct a meeting with Policyholder no later than Sixty (60) days following the close of each quarter during a Policy Period to review the Administration Management services provided by MetLife to the Policyholder, including but not limited to review MetLife's performance as established by the metrics in this Agreement, financial information as it pertains to Policyholder's account with MetLife, and reports provided to Policyholder as agreed upon by MetLife and Policyholder. ("**Quarterly Administration Management Review Meeting**")
2. MetLife will schedule each Administration Management Review Meeting on a date and at a time that is mutually convenient for MetLife and Policyholder. If MetLife has scheduled meeting times convenient to Policyholder, and Policyholder requests that MetLife reschedule the Administration Management Review Meeting more than Three (3) times, or if Policyholder is unable to attend a Quarterly Administration Management Review Meeting until after the sixtieth (60th) day following the close of a quarter during any Policy Period, or if due to unforeseen circumstances² which prevent MetLife from scheduling or attending the Quarterly Administration Management Review Meeting within the Sixty (60) days following the close a quarter during any Policy Period, MetLife will be deemed to have fulfilled its obligation in this **Section G, Paragraph 1**.
3. MetLife has sole discretion to determine whether it has fulfilled its obligations as indicated in this **Section I**.
4. Subject to the provisions of **Section M** of this **Performance Guarantee Agreement**, if MetLife fails to fulfill its obligations as set forth in this **Section G** for the applicable Policy Period, MetLife will pay Policyholder a penalty in an amount equal to one-half of one percent (.5%) of the Total Premium paid by the Policyholder to MetLife for that Policy Period ("**Quarterly Administration Management Review Meeting Penalty**").
5. MetLife will calculate and report to Policyholder the Quarterly Administration Management Review Meeting Penalty, if any, including a detailed summary of the Quarterly Administration Management Review Meeting or detailed explanation of the failures which prevented the Quarterly Administration Management Review Meeting from happening within the agreed up timeframes, following the end of each Policy Period.
6. MetLife will remit payment of the Account Management Penalty, if any, within ninety (90) days of the date MetLife reports the final amount.

H. Implementation Survey Guarantee:

1. MetLife agrees to conduct a post Implementation Survey through the use of a third party vendor to determine the Policyholder's satisfaction with the implementation process following the completion of all tasks and procedures necessary to complete this process. MetLife will receive, from designated Policyholder respondents, an average of at least a 5 rating on a 7 point scale to the question, "Overall Satisfaction with the Implementation" on the MetLife post Implementation Survey ("**Implementation Satisfaction Level**"). If the Policyholder chooses not to participate in the Implementation Survey, MetLife will not be subject to the penalty of this guarantee.

The Implementation Survey will be provided to the Policyholder between ninety and one-hundred eighty (90 to 180) days of the effective date of this agreement. The Policyholder's respondents will complete the survey thirty (30) days of receipt.

2. At the end of the First Policy Period, MetLife, in its sole discretion, will determine whether it has achieved this Implementation Survey Guarantee as set forth in this **Section H**.
3. Subject to the provisions of **Section M** of this **Performance Guarantee Agreement**, if MetLife fails to meet the Implementation Satisfaction Level, MetLife will pay the Policyholder a penalty of \$25,000 for the first Policy Period ("**Implementation Survey Penalty**").
4. MetLife will calculate and report to the Policyholder the Implementation Survey Penalty, if any, at the end of the first Policy Period.
5. MetLife will remit payment of the Implementation Survey Penalty, if any, within ninety (90) days of the date MetLife reports the final amount.

I. Implementation Tasks Guarantee:

1. MetLife will provide the Policyholder with an outline of all major tasks, timeframes, and required information and/or documentation to be provided by the Policyholder to MetLife to facilitate the implementation of this Agreement. MetLife and the Policyholder will subsequently mutually agree upon the tasks to be performed by MetLife and the timeframes for the completion of these tasks in writing ("**Implementation Tasks**"). MetLife must receive all information and documentation necessary to undertake the Implementation Tasks from the Policyholder prior to the commencement of the Implementation Tasks. MetLife agrees to institute all Implementation Tasks in a commercially reasonable manner.
2. At the end of the First Policy Period, MetLife, in its sole discretion, will determine whether it has completed the Implementation Tasks as set forth in this **Section I**.
3. Subject to the provisions of **Section M** of this **Performance Guarantee Agreement**, if MetLife has all required information and documentation necessary to undertake the Implementation Tasks and if MetLife fails to complete the Implementation Tasks as set forth in this **Section I** for the First Policy Period, MetLife will pay the Policyholder a penalty in an amount equal to \$25,000 for the First Policy Period ("**Implementation Task Penalty**").
4. MetLife will calculate and report to the Policyholder the Implementation Tasks Penalty, if any, at the end of the first Policy Period.
5. MetLife will remit payment of the Implementation Tasks Penalty, if any, within ninety (90) days of the date MetLife reports the final amount.

J. Implementation Contract Delivery Guarantee:

1. MetLife will deliver the initial contractual documents within 30 business days, not including holidays, from the date all information and documentation necessary to issue contract documents has been received. Policyholder requested customizations of any fully-insured contract documents which alter certificate language requiring MetLife to obtain a government regulatory authority approval for alteration or use will not be subject to this penalty.
2. At the end of the First Policy Period, MetLife has sole discretion to determine whether it has fulfilled its obligations as indicated in **Section J**.
3. Subject to the provisions of **Section M** of this **Performance Guarantee Agreement**, if MetLife fails to fulfill its obligations as set forth in this **Section J** for the First Policy Period, MetLife will pay Policyholder a penalty in an amount equal to \$25,000 for the First Policy Period ("**Contract Delivery Guarantee - Implementation Penalty**").

4. MetLife will calculate and report to the Policyholder the Contract Delivery Guarantee - Implementation Penalty, if any, following the end of the First Policy Period.
5. MetLife will remit payment of the Contract Delivery Guarantee – Implementation Penalty, if any, within ninety (90) days of the date MetLife reports the final amount.

K. Renewal Information Delivery Guarantee

1. For each Policy Period following the First Policy Period, MetLife agrees to deliver to Policyholder all renewal information no later than one hundred and eighty (180) days prior to Policyholder's renewal date.
2. MetLife has sole discretion to determine whether it has fulfilled its obligations as indicated in this **Section K**.
3. Subject to the provisions of **Section M** of this **Performance Guarantee Agreement**, MetLife agrees that if it does not deliver the renewal information to the Policyholder within one hundred and eighty (180) days prior to the applicable Policy Period, MetLife will pay Policyholder a penalty in an amount equal to one-half of one percent (0.5%) of the Total Premium paid by Policyholder to MetLife for that Policy Period ("Delivery of Renewal Information Penalty").
4. MetLife will calculate and report to Policyholder the Delivery of Renewal Information Penalty, if any, following the end of each Policy Period following the First Policy Period.
5. MetLife will remit payment of the Delivery of Renewal Information Penalty, if any, within ninety (90) days of the date MetLife reports the final amount.

L. Revised Contract Document Delivery Guarantee:

1. During each Policy Period MetLife agrees to deliver contract documents, including but not limited to amendments, certificates, or certificate riders, to the Policyholder reflecting any Policyholder requested revisions to their plan design, within 30 business days, not including holidays, of the date of the request. MetLife must receive all information and documentation necessary to complete the contract revisions from Policyholder at the time of the request. Policyholder requested customizations of any fully-insured contract documents which alter certificate and/or policy language requiring MetLife to obtain a government regulatory authority approval for alteration or use will not be subject to this penalty.
2. MetLife has sole discretion to determine whether it has fulfilled its obligations as indicated in this **Section L**.
3. Subject to the provisions of **Section M** of this **Performance Guarantee Agreement**, if MetLife fails to fulfill its obligations as set forth in this **Section L** for the applicable Policy Period, MetLife will pay Policyholder a penalty in an amount equal \$25,000 for each Policy Period ("Revised Contract Document Delivery Penalty").
4. MetLife will calculate and report to Policyholder the Revised Contract Document Delivery Penalty, if any, following the end of each Policy Period.
5. MetLife will remit payment of the Revised Contract Document Delivery Penalty, if any, within ninety (90) days of the date MetLife reports the final amount.

M. Maximum Aggregate Penalty:

For the first Policy Period the maximum penalty payable pursuant to **Sections A** through **J** and **L**, in aggregate, by MetLife to Policyholder as a consequence of failing to meet any or all of the foregoing Performance Guarantees is an amount not to exceed two percent (2%) of the Disability Income Insurance: Short Term Benefits Total Premium and the Disability Income Insurance: Long Term benefits Total Premium for the for that Policy Period ("**Maximum Aggregate Penalty**").

For each Policy Period following the first Policy Period, the maximum penalty payable pursuant to **Sections A** through **G**, **K** and **L**, in aggregate, by MetLife to Policyholder as a consequence of failing to meet any or all of the foregoing Performance Guarantees is an amount not to exceed two percent (2%) of the Disability Income Insurance: Short Term Benefits Total Premium and the Disability Income Insurance: Long Term benefits Total Premium for the for that Policy Period ("**Maximum Aggregate Penalty**").

MetLife reserves the right to re-evaluate the service standards, guarantees and penalties set forth in all sections of this Agreement if any of the following situations occur:

- A. there is a Plan design change; or
- B. an unusual event, beyond MetLife's control, occurs which generates an increase or decrease in expected incidence.

The penalties set forth in this Performance Guarantee Agreement are Policyholder's exclusive remedy for MetLife's failure to meet any obligations, duties, tasks, or performance standards set forth in this **Performance Guarantees Agreement**.

IN WITNESS WHEREOF, each of the Parties has caused this Performance Guarantee Agreement to be executed on its behalf by its duly authorized officers, as of the date written below.

SUBSCRIBED to by the Parties hereto:

Metropolitan Life Insurance Company

County of San Bernardino

BY: _____

BY: _____

Title: _____

Title: _____

Date: _____

Date: _____