



## Welcome to ACEC Life/Health Trust (Trust)

As part of your membership with the Trust, we are required by ERISA (Employee Retirement Income Security Act of 1974) to provide you with a copy of the ACEC Life/Health Insurance Trust Benefit Consortium, ACEC Life/Health Insurance Trust Group Participation Agreement.

We encourage you to read this document thoroughly as it contains information relevant to your membership with the Trust as well as other requirements that were enacted by ERISA and the Internal Revenue Code of 1986.

You will be deemed to have accepted the terms of the Participation Agreement by the payment of any Required Contribution and the acceptance of coverage for your eligible employees and their dependents; however, if you wish to sign the agreement please send the signed document to the following address:

**Mailing Address for Completed Forms:**

ACEC Life/Health Trust  
2600 Network Boulevard, Suite 230  
Frisco, Texas 75034  
Attn: Heide Wheaton

**ACEC Life/Health Insurance Trust Benefit Consortium**  
**ACEC Life/Health Insurance Trust**  
**Group Participation Agreement**

This Agreement is entered into between the ACEC Life/Health Insurance Trust Benefit Consortium (the “Consortium”), the ACEC Life/Health Insurance Trust and \_\_\_\_\_.

**Section 1: Defined Terms**

“ACEC” means the American Council of Engineering Companies.

“Carrier” means the insurance company that has arranged to provide and/or administer welfare benefits on a fully-insured basis with respect to Participants and Beneficiaries.

“Coverage Classification” means the type of coverage elected by Plan Participants (e.g., single, single plus one, or family).

“Eligible Employees” refers to employees or former employees of engineering firms that are ACEC member firms eligible to participate in the Consortium and the Trust who have the right to enroll in coverage under the terms of Your SPD. “Eligible Employees and their Dependents” refers to employees or former employees of engineering firms that are ACEC member firms eligible to participate in the Consortium and the Trust, as well as their spouses, children and other dependents as defined under the IRC, who have the right to enroll in coverage under the terms of Your SPD.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended.

“Group Policy” means the group insurance policy issued by the Carrier to the Trust.

“IRC” means the Internal Revenue Code of 1986, as amended.

“Participants and Beneficiaries” are employees, former employees and eligible dependents of Participating Employers who are enrolled in the Plan.

“Participating Employer” means an ACEC member firm that has elected to participate in the Plan.

“Participation Agreement” means this document which sets forth certain rights and responsibilities of Participating Employers. Upon the acceptance of a Participation Agreement by a Participating Employer, and payment of the first Required Contribution, Plan coverage is deemed effective as of the date specified in Exhibit 1 and will be continued in force, subject to the termination of this agreement as specified in Section 5.

“PHI” is health information protected by applicable medical privacy law.

“PII” is information about an individual that is protected by applicable privacy law.

“Plan” means the ACEC Life/Health Group Welfare Plan, an employee welfare benefit plan under ERISA.

“Plan Participants” are employees or former employees of engineering firms meeting certain eligibility requirements that have elected to participate in the Plan.

“Qualified Beneficiary” means a Participant or Beneficiary that qualifies for continuation coverage under state or federal law.

“Required Contribution” means the payment required of Participating Employers under this Participation Agreement to secure coverage under the terms and conditions of the Plan.

“Trust” means the American Council of Engineering Companies Life/Health Insurance Trust, which holds the Group Insurance Policy. The Trust will not be deemed or construed to be the common law employer of Plan Participants and is not responsible for fulfilling any duties of an employer other than those in connection with the Plan.

“Trustees” means the trustees of the Consortium and the Trust who are the individuals responsible for administering Your benefits under the Participation Agreement, Your SPD and ERISA.

“We,” “Us,” and “Our” are referring to the Consortium, the Trust or the Trustees, as well as any Carrier appointed by the Consortium, the Trust or the Trustees to furnish welfare benefits to Participating Employers.

“You” or “Your” means a Participating Employer that has accepted this Participation Agreement.

“Your SPD” means the document describing Your benefits under the Plan.

## **Section 2: Your Obligations to Disclose Information About Benefits and Services**

Federal employee benefits law, known as ERISA, requires that a Plan’s covered benefits and limitations, as well the rights and responsibilities of Participants and Beneficiaries, be explained in Your SPD. By signing this Participation Agreement, You agree to distribute the SPD to Your Participants within 90 days of when they become covered under the Plan, as well as upon the occurrence of certain other events.

2.1 General Requirements for Electric Distribution of Plan Documents. Plan documents may be distributed electronically when certain conditions are met. The following requirements apply to all recipients of electronic communications: (a) The information (e.g., PHI, PII) must be safeguarded from improper disclosure; (b) A notice (email is acceptable) informing the Participant of the significance of the document must be issued each time a document is furnished electronically; and (c) the distributor must permit the Participant to ask to receive any document in paper form.

2.2 Participants with Work-Related Computer Access. In addition to requirements (a), (b) and (c) in Section 2.1, Participants with work-related computer access must be able to access the electronic documents at any location where he or she is expected to work and access to electronic information systems must be an integral part of the employee’s job duties.

2.3 Participants without Access to Computers as Part of Work-Related Duties. In addition to (a), (b) and (c) in Section 2.1, Participants without work-related computer access must affirmatively consent to electronic delivery of Plan information. Participants must also be provided with information about the types of documents that will be provided electronically; their right to withdraw consent; procedures for withdrawing consent and updating information (e.g., email address; the right to request paper documents; and the types of hardware and software required). Notice must be issued to the Participants alerting them to the fact that an electronic disclosure is being made. As a Participating Employer, You are required to furnish required documents in paper form (US Mail or hand delivery) if a Participant does not consent to the electronic distribution.

Upon Request. You also agree to provide Plan Participants with a copy of the SPD within 30 days of a written request. Participants should read their SPD so they understand the benefits to which they are entitled. You agree to ask Participants to keep their SPD in the same place they keep other important financial information.

Fully-Insured Plan. Because Your welfare benefits are fully insured, Your SPD will “wrap-around” or be attached to a Certificate of Coverage and Schedule of Benefits, as well as any riders and amendments, issued by the Carrier.

Changes to Your SPD. Because laws change frequently, the Carrier will periodically review Your SPD and update it to reflect any changes in the law or Your welfare plan. After the SPD has been furnished, changes may occur to the Plan or information contained in the SPD. Under ERISA, any modification in the Plan’s terms that is “material”—and any change in required SPD content—must be disclosed to Plan Participants.

- When this happens, the Carrier may either issue a new SPD to You or a Summary of Material Modifications (SMM) which is a description of the change. An SMM generally will be furnished within 210 days after the end of the plan year in which a modification or change is adopted.
- If the change related to a material reduction in covered benefits or services, the SMM will be provided by the Carrier no later than 60 days after the date of adoption of the reduction. Depending on the nature of the change, the Carrier may issue the SMM prior to the effective date of the change. You must distribute Your SMM in the same manner as the SPD explained above.

Updated SPD. You will also be required to furnish an updated SPD at least once every five years if there have been any material changes during that period of time. You will be required to furnish a new SPD once every ten years even if no material changes have been made.

Summary of Benefits and Coverage. Because Your coverage under the Plan is fully-insured coverage, applicants for coverage and Plan Participants will also receive an additional document known as the summary of benefits and coverage (SBC) as required under the Affordable Care Act (ACA). The SBC is a document that will be distributed to applicants and Participants in connection with enrollment or re-enrollment. You are not responsible for distributing this document.

Summary Annual Report. The Trustees will provide You with a summary annual report (SAR) which is an annual statement summarizing the Plan’s financial condition. You will be required to furnish the SAR to Participants within nine months of the close of the plan year.

### **Section 3: Required Contributions**

Each Participating Employer is required to pay the monthly Required Contribution on behalf of Your Participants and Beneficiaries. The Required Contribution amount will be calculated based on the number of Participants for each Participating Employer that are shown in the Plan’s (or the Carrier’s) enrollment records at the time of calculation.

We may make retroactive adjustments to the Required Contribution for any additions or terminations of Participants or Beneficiaries or changes in coverage that are not reflected in our records at the time we calculate the Required Contribution. Adjustments will not be made for changes occurring more than 60 days prior to the date we received notification of the change from the Participating Employer.

The Participating Employer must notify us in writing within 31 days of the effective date of enrollment, termination or other changes. The Participating Employer must also notify us in writing each month of any change in the Coverage Classification for any Participant.

The Trustees reserve the right to change the Required Contribution amount. Required Contribution amounts may be changed at any time due to the imposition of taxes, assessments, or other governmental charges that apply to the Trust. In addition, any change in law or regulation that significantly affects our cost of operation will result in an increase in the Required Contribution in an amount we determine.

The Trustees also reserve the right to change the schedule of Required Contribution amounts at any time if such amount was determined based on a material misrepresentation that resulted in the rates being different than they would have been without such material misrepresentation. If this happens, we may change the rates retroactive to the effective date of Your coverage.

*Payment of the Required Contribution.* The Required Contribution is payable to us in advance by the Participating Employer on a monthly basis. The first Required Contribution is due and payable on or before the effective date of coverage. Subsequent contributions are due and payable no later than the first day of each payment period, while this Participation Agreement is in force.

A charge for late payments will be assessed for any Required Contribution not received within 10 calendar days following the due date. A service charge will be assessed for any insufficient funds check received. All Required Contributions must be accompanied by documentation that states the names of the Participant for whom payment is being made. In the event of a delinquency, You may be charged attorney's fees and any other costs related to the collection of Required Contributions.

*Grace Period:* A grace period of 31 days will be granted for the payment of any Required Contribution not paid when due. During the grace period, Your coverage will continue in force. The grace period will not extend beyond the termination of this Participation Agreement. Participating Employers are liable for payment of the Required Contribution during the grace period. If we receive written notice from You to terminate the coverage during the grace period, we will adjust the Required Contribution so that it applies only to the number of days coverage was in force during the grace period. Coverage terminates as described in Article 5.1 if the grace period expires and the Required Contribution remains unpaid.

#### **Section 4: Eligibility and Enrollment**

4.1 Eligibility Rules. You should summarize the Plan's eligibility rules for each Coverage Classification and attach that summary at the end of your Plan's Summary Plan Description where indicated. The summary should explain the conditions for eligibility under the Plan such as hours worked, any applicable waiting period, and the day coverage will begin (e.g., the first day of the month following the satisfaction of the waiting period.) Those rules are in addition to the eligibility provisions in the *When Coverage Begins* section of Your *Certificate of Coverage*.

4.2 Initial Enrollment Period. Eligible Persons and their Dependents may enroll for coverage under the Plan during the Initial Enrollment Period.

4.3 Open Enrollment Period. An Open Enrollment Period will be provided periodically for each class. During an Open Enrollment Period, Eligible Persons may enroll for coverage under the Plan.

4.4 Special Enrollment. The Plan also provides for special enrollment opportunities upon the occurrence of certain events. Refer to Your SPD in the *When Coverage Begins* section of Your *Certificate of Coverage*.

4.5 Effective Date of Coverage. The effective date of coverage for properly enrolled Eligible Employees and their Dependents is stated in Exhibit 1.

## **Section 5: Termination of Coverage**

5.1 Conditions for Termination of Coverage Under This Participation Agreement. All Benefits for Covered Health Services under this Participation Agreement shall automatically terminate with respect to Participants and Beneficiaries on the earliest of the dates specified below:

- A. On the last day of the grace period if the Participating Employer's Required Contribution remains unpaid. The Participating Employer remains liable for payment of the Required Contribution for the period of time the Participation Agreement remained in force during the grace period.
- B. On the date we specify, after 31 days written notice to the Participating Employer, that this Participation Agreement shall be terminated with respect to the Participating Employer's coverage due to the Participating Employer's violation of participation and contribution rules.
- C. On the date we specify, in written notice to the Participating Employer, that this Participation Agreement shall be terminated with respect to the Participating Employer's coverage because the Participating Employer provided us with false information material to the execution of this Participation Agreement or to the provision of coverage under this Participation Agreement. In this case, we have the right to rescind this Participation Agreement back to the effective date. Any unearned premium will be refunded.
- D. On the date specified by the Participating Employer, after at least 31 days prior written notice to us that Participating Employer's coverage under the Participation Agreement shall be terminated.
- E. On the date specified by the Trustees that the Participating Employer no longer participates in the Consortium, the Trust or ACEC.

5.2 Payment and Reimbursement Upon Termination. Upon any termination of coverage under the Plan, the Participating Employer is and will remain liable to us for the payment of any and all Contributions that are unpaid at the time of termination, including a pro rata portion of the Required Contribution for any period this Participation Agreement was in force during the grace period preceding the termination.

## **Section 6: General Provisions**

6.1 Entire Agreement. This Participation Agreement and any Amendments, Notices of Change, and Riders constitute the entire Agreement between the Trust and the Participating Employer. All statements made by the Participating Employer or by a Participant will, in the absence of fraud, be deemed representations and not warranties.

6.2 Time Limit on Certain Defenses. No statement made by the Participating Employer except a fraudulent statement can be used to void this Participation Agreement after it has been in force for a period of two years.

6.3 Amendments and Alterations. Amendments to this Participation Agreement are effective 60 days after we send written notice to the Participating Employer. Riders are effective on the date we specify. Other than changes to Exhibit 1 stated in a Notice of Change to Exhibit 1, no change will be made to this Participation Agreement unless made by an Amendment or a Rider which is signed by one of our authorized executive officers. No agent has authority to change the Participation Agreement or to waive any of its provisions.

6.4 Relationship Between the Parties.

- The relationships between us and network providers, and relationships between us and Participating Employers, are solely contractual relationships between independent contractors. Network providers, service providers and Participating Employers are not our agents or employees, nor are we or any of our employees an agent or employee of network providers and Participating Employers.
- The relationship between a network provider and any Participant or Beneficiary is that of provider and patient. The network provider is solely responsible for the services provided by it to any Participant or Beneficiary. The relationship between any Participating Employer and any Participant and Beneficiary is that of employer and employee (or former employee), dependent, or any other category of individuals specified in this Participation Agreement.
- Each Participating Employer is solely responsible for enrollment and coverage classification changes (including termination of a Covered Person's coverage).

6.5 Records. Each Participating Employer must furnish us with all information and proofs which we may reasonably require with regard to any matters pertaining to this Participation Agreement. We may at any reasonable time inspect:

- All documents furnished to the Participating Employer by any individual in connection with coverage.
- The Participating Employer's payroll.
- Any other records pertinent to the coverage under this Participation Agreement.

By accepting Benefits under this plan, each Participant or Beneficiary authorizes and directs any person or institution that has provided services to him or her, to furnish us or the Carrier any and all information and records or copies of records relating to the health care services provided. We have the right to request this information at any reasonable time. This applies to all Participants and Beneficiaries, without regard to whether or not they have signed the Participating Employer's enrollment form.

The parties agree that information and records with respect to benefits under the Plan will be considered confidential. We have the right to release any and all records concerning health care services which are necessary to implement and administer the terms of the Plan, including records necessary for appropriate medical review and quality assessment or as we are required by law or regulation.

During and after the term of this Participation Agreement, we and our related entities may use and transfer the information gathered under this Plan for research and analytic purposes or as required by law.

6.6 Administrative Services. The services necessary to administer the Plan and the benefits provided under it will be provided in accordance with standard administrative procedures or those standard administrative procedures of the Carrier. If the Participating Employer requests that administrative services be provided in a manner other than in accordance with these standard procedures, including requests for non-standard reports, the Participating Employer must pay for such services or reports at the then-current charges for such services or reports.

6.7 Examination of Participants and Beneficiaries. In the event of a question or dispute concerning benefits for covered health services, we may reasonably require that a network physician, acceptable to us, examine the Participant or Beneficiary at our expense.

6.8 Clerical Error. Clerical error will not deprive any individual of benefits under this Participation Agreement or create a right to benefits. Failure to report enrollments will not be considered a clerical error and will not result in retroactive coverage for eligible persons. Failure to report the termination of coverage will not continue the coverage for a covered person beyond the date it is scheduled to terminate according to the terms of this Participation Agreement. Upon discovery of a clerical error, any necessary appropriate adjustment in premiums will be made. However, we will not grant any such adjustment in premiums or coverage to the Participating Employer for more than 60 days of coverage prior to the date we received notification of the clerical error.

6.9 Workers' Compensation Not Affected. Benefits provided under this Participation Agreement do not substitute for and do not affect any requirements for coverage by workers' compensation insurance.

6.10 Conformity with Law. Any provision of this Participation Agreement which, on its effective date, is in conflict with the requirements of state or federal statutes or regulations (of the jurisdiction in which this Participation Agreement is delivered) is deemed to be amended to conform to the minimum requirements of those statutes and regulations.

6.11 Continuation Coverage. Federal and state law sometimes requires that the Plan permit certain individuals known as "Qualified Beneficiaries" to continue coverage under the Plan even in the event that they are no longer otherwise eligible for coverage. The Plan makes continuation coverage available in these circumstances through the Carrier, although You will be assessed an additional charge for this service. The circumstances under which Participants and Beneficiaries become Qualified Beneficiaries are described in Your SPD in the "When Coverage Ends" portion of the Certificate of Coverage.

Written notice to Qualified Beneficiaries shall be provided to the Participating Employer's last known address as contained in Company's business records.

6.12 System Access. The term "systems" as used in this provision means systems that the Trust has made available, or arranged with the Carrier to make available to Participating Employers to facilitate the transfer of information in connection with this coverage.

The Trust and its service provider(s) grant Participating Employers the nonexclusive, nontransferable right to access and use the functionalities contained within the systems, under the terms set forth in this Participation Agreement. Participating Employers agree that all rights, title and interest in the systems and all rights in patents, copyrights, trademarks and trade secrets encompassed in the systems will



remain property of the Trust and/or the Carrier. In order to obtain access to the systems, the Participating Employer will obtain, and be responsible for maintaining, at its own expense, the hardware, software and Internet browser requirements we provide to the Participating Employer, including any amendments to those requirements. The Participating Employer is responsible for obtaining an internet service provider or other access to the Internet.

The Participating Employer will not:

- Access systems or use, copy, reproduce, modify, or excerpt any of the systems documentation provided by us in order to access or utilize systems, for purposes other than as expressly permitted under this Participation Agreement.
- Share, transfer or lease its right to access and use systems, to any other person or entity which is not a party to this Participation Agreement.

The Participating Employer may designate any third party to access systems on its behalf, provided the third party agrees to these terms and conditions of systems access and the Participating Employer assumes joint responsibility for such access.

The Participating Employer will use commercially reasonable physical and software-based measures, and comply with our security procedures, as may be amended from time to time, to protect the system, its functionalities, and data accessed through systems from any unauthorized access or damage (including damage caused by computer viruses). The Participating Employer will notify us immediately if any breach of the security procedures, such as unauthorized use, is suspected.

The Trust and the Carrier reserve the right to terminate the Participating Employer's system access:

- On the date the Participating Employer fails to accept the hardware, software and browser requirements provided by us, including any amendments to the requirements.
- Immediately on the date we reasonably determine that the Participating Employer has breached, or allowed a breach of, any applicable provision of this Participation Agreement. Upon termination of this Participation Agreement, the Participating Employer agrees to cease all use of our systems, and we will deactivate the Participating Employer's identification numbers and passwords and access to the system.

The Participating Employer will be deemed to have accepted the terms of this Participation Agreement by the payment of any Required Contribution and the acceptance of coverage for its Eligible Employees and their dependents.

Participating Employer

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

Date: \_\_\_\_\_



## Exhibit 1

1. Parties. The parties to this Participation Agreement are the ACEC Life/Health Insurance Trust Benefit Consortium, the ACEC Life/Health Insurance Trust and the Participating Employer.
2. Effective Date of this Participation Agreement. The effective date of this Participation Agreement is 12:01 a.m. on the first effective day of coverage in the time zone of the Participating Employer's location.
3. Contributions. We reserve the right to change the Schedule of Required Contribution Rates or Cost Summary, after a 31-day prior written notice on the first anniversary of the effective date of this Participation Agreement specified in the application or on any monthly due date thereafter, or on any date the provisions of this Participation Agreement are amended. We also reserve the right to change the Schedule of Premium Rates, retroactive to the effective date, if a material misrepresentation relating to health status has resulted in a lower schedule of rates.
4. Computation of Required Contribution. A pro rata Required Contribution, calculated on the number of days Participants and Beneficiaries are actually covered under this Participation Agreement, will be charged for Participants/Beneficiaries whose effective date of coverage falls on a date other than the first of the month or for Participants/Beneficiaries whose coverage is terminated on a date other than the first of the month.
5. Payment of the Required Contribution. The Required Contribution is payable to us in advance by the Participating Employer through contributions by the Participating Employers on a monthly basis.
6. Minimum Participation Requirement. The minimum participation requirement for the Participating Employer is 75% of Eligible Employees and their Dependents excluding spousal waivers, but no less than 50% of all Eligible Employees/Dependents must be enrolled for coverage under this Participation Agreement.
7. Minimum Contribution Requirement. The Participating Employer must maintain a minimum contribution requirement of 50% of the Premium for each Eligible Employee who is enrolled for coverage.
8. Class Description. See Application
9. Open Enrollment Period. An Open Enrollment Period of at least 31 days will be provided during which Eligible Persons may enroll for coverage. The Open Enrollment Period will be provided on an annual basis.
10. Effective Date for Eligible Persons. The effective date of coverage for eligible persons who are eligible on the effective date of the Participation Agreement is January 1, 2020. For an eligible person who becomes eligible after the effective date of the Participation Agreement, his or her effective date of coverage is the day following the last day of the required waiting period.
11. Schedule of Required Contributions. Monthly Required Contributions payable by or on behalf of Participants and Beneficiaries are specified in the Cost Summary.