

GROUP CONTRACT

Between

VANCE CHARTER SCHOOL

and



BLUE CROSS AND BLUE SHIELD OF NORTH CAROLINA

An Independent Licensee of the Blue Cross and Blue Shield Association

Effective: 10/1/2023

READ CAREFULLY

IMPORTANT CANCELLATION INFORMATION

Your Group Contract and/or Member's coverage may be canceled by the Insurer. This information is contained in the Term and Termination section of your Group Contract. Please read this information carefully to understand the terms of your coverage.

IMPORTANT NOTICE FOR EXECUTIVE CONTACT

Upon the issuance or renewal of any policy, contract, certificate, or evidence of coverage of group health or life insurance, the insurer, corporation, or health maintenance organization shall give written notice to the insurance fiduciary of the provisions of G.S. 58-50-40.

The notice is as follows:

UNDER NORTH CAROLINA GENERAL STATUTE SECTION 58-50-40, NO PERSON, EMPLOYER, PRINCIPAL, AGENT, TRUSTEE, OR THIRD PARTY ADMINISTRATOR, WHO IS RESPONSIBLE FOR THE PAYMENT OF GROUP HEALTH OR LIFE INSURANCE OR GROUP HEALTH PLAN PREMIUMS, SHALL; (1) CAUSE THE CANCELLATION OR NONRENEWAL OF GROUP HEALTH OR LIFE INSURANCE, HOSPITAL, MEDICAL, OR DENTAL SERVICE CORPORATION PLAN, MULTIPLE EMPLOYER WELFARE ARRANGEMENT, OR GROUP HEALTH PLAN COVERAGES AND THE CONSEQUENTIAL LOSS OF COVERAGES OF THE PERSONS INSURED, BY WILLFULLY FAILING TO PAY THOSE PREMIUMS IN ACCORDANCE WITH THE TERMS OF THE INSURANCE OR PLAN CONTRACT, AND (2) WILLFULLY FAIL TO DELIVER, AT LEAST 45 DAYS BEFORE THE TERMINATION OF THOSE COVERAGES, TO ALL PERSONS COVERED BY THE GROUP POLICY A WRITTEN NOTICE OF THE PERSON'S INTENTION TO STOP PAYMENT OF PREMIUMS. THIS WRITTEN NOTICE MUST ALSO CONTAIN A NOTICE TO ALL PERSONS COVERED BY THE GROUP POLICY OF THEIR RIGHTS TO HEALTH INSURANCE CONVERSION POLICIES UNDER ARTICLE 53 OF CHAPTER 58 OF THE GENERAL STATUTES AND THEIR RIGHTS TO PURCHASE INDIVIDUAL POLICIES UNDER THE FEDERAL HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT AND UNDER ARTICLE 68 OF CHAPTER 58 OF THE GENERAL STATUTES. VIOLATION OF THIS LAW IS A FELONY. ANY PERSON VIOLATING THIS LAW IS ALSO SUBJECT TO A COURT ORDER REQUIRING THE PERSON TO COMPENSATE PERSONS INSURED FOR EXPENSES OR LOSSES INCURRED AS A RESULT OF THE TERMINATION OF THE INSURANCE.

This Group Contract is the legal contract between VANCE CHARTER SCHOOL and Blue Cross and Blue Shield of North Carolina. Please read this Group Contract carefully.

GROUP CONTRACT

This Group Contract made and entered into this 1st day of October 2023, by and between BLUE CROSS AND BLUE SHIELD OF NORTH CAROLINA, an independent licensee of the Blue Cross and Blue Shield Association, with its principal office located at 4613 University Drive (P.O. Box 2291, Durham, North Carolina 27702), Durham, North Carolina 27707 (hereinafter termed "Blue Cross NC,") and VANCE CHARTER SCHOOL (hereinafter termed "Group" or "the Group") (each, a "Party" and collectively, the "Parties"):

Witnesseth

THAT FOR AND IN CONSIDERATION of the mutual covenants and considerations stated in this agreement, the parties agree to establish a group insurance plan for employees of the Group as follows:

I. DEFINITIONS

Except as otherwise specifically stated herein, capitalized terms used in this Contract shall have the same meaning as is specified in the Glossary section of the benefit booklet(s) listed herein under "Incorporated Documents" and hereinafter referred to as "Benefit Booklet(s)."

II. DENTAL BENEFIT PLAN

1. Dental Benefits. Blue Cross NC shall provide Member benefits in accordance with the Benefit Booklet(s) herein incorporated by reference, except as may be otherwise provided in this Group Contract (hereinafter called "Contract") or any amendments hereto made from time to time. If there is any conflict between the provisions of the Benefit Booklet(s) and this Contract, as amended, the provisions of this Contract, as amended, shall prevail.
2. Prior Plan Carryover. If the Group has chosen this option, Blue Cross NC will apply to this dental benefit plan, any amount that has been accrued toward the Member's deductible, rollover and/or out-of-pocket limit while covered under the Group's prior insurance carrier health benefit plan.
3. Participating Plans. Blue Cross NC may make an agreement with any appropriate entity (referred to as a Participating Plan) to administer in whole or in part, benefits for Covered Services to Members.

4. Alternate Benefit Plan. In exchange for benefits specified in this Contract, Blue Cross NC may elect to offer benefits for services furnished by any Provider or vendor pursuant to a Blue Cross NC approved Alternate Benefit Plan. An "Alternate Benefit Plan" is defined as a Blue Cross NC approved plan of cost-effective care, services and benefits based on a cost/benefit analysis of care for selected Members under this Contract.
5. Identification Cards. Blue Cross NC will provide Identification Cards for Subscribers and dependents age 18 and older, or to a custodial parent or legal guardian under a court or administrative order. The Identification Card is Blue Cross NC's property, and Blue Cross NC reserves the right to reclaim the card if it is misused or when a Subscriber or Member disenrolls.
6. Benefit Booklets. Blue Cross NC shall provide Subscribers and custodial parents or legal guardians under a court or administrative order with an electronic copy of the Benefit Booklets describing this Contract's benefits and providing claims filing instructions through Blue Cross NC's website. Blue Cross NC will deliver a paper copy of the Benefit Booklets to Subscribers and custodial parents or legal guardians under a court or administrative order upon their request.
7. Incorporated Documents. The following documents are herein incorporated by reference as fully as if set forth herein:
K50, Important Notice for Executive Contact T110829001/DBS-09/10/1/2023
8. Access to Information. Subject to the limitations of the Confidentiality section, Blue Cross NC will provide Group Health Plan data to third party vendors at the request of the Group. Blue Cross NC will provide such information if (a) permitted by law and (b) the information relates to the services provided under this Agreement. Blue Cross NC shall have 90 days to respond to the Group's request for such information that satisfies the requirements of this provision. Blue Cross NC may charge a Fee for data where Blue Cross NC offers the services provided by the third party vendor. Such Fees, if applicable, are described in Blue Cross NC Reporting and Data Extract Fees, herein incorporated by reference.
9. Administrative Credits. Blue Cross NC may, from time to time, provide Members with savings in the form of administrative credits against invoiced premium amount(s) and/or a reduced or waived copayment, deductible and/or coinsurance on designated services in connection with programs designed to reduce medical costs, or to encourage Members to seek appropriate, high quality, efficient care based on Blue Cross NC criteria.

III. ELIGIBILITY AND ENROLLMENT

1. Probationary Period Employees must satisfy a 0 Day probationary period, effective 1st of month following date of hire orientation and/or probationary period prior to being eligible to enroll in coverage under this Contract.

The Group shall indemnify and hold harmless Blue Cross NC for any loss, liability, damage, expense, settlement, cost, or obligation (including reasonable attorney's fees) from any resulting assessments, penalties and/or regulatory charges (collectively, "Charges") incurred or paid by Blue Cross NC related to the Group's failure to (1) properly notify and timely notify Blue Cross NC that an employee has satisfied the relevant eligibility conditions for coverage; or (2) otherwise comply with the prohibition on excessive waiting periods.

2. Effective Date of Coverage

If Employees are eligible with or without eligible Dependents and do not apply for coverage within 30 days of being eligible to do so, then the person will not be eligible for coverage, unless otherwise allowed in the Benefit Booklet.

The medical enrollment period does not apply to dental enrollment. For dental enrollment, if Employees are eligible with or without eligible Dependents and do not apply for coverage within 30 days of being eligible to do so, then the person will not be eligible for coverage, unless otherwise allowed in the Benefit Booklet.

3. The Group agrees to offer the coverage herein provided to all eligible persons, as defined in the Benefit Booklet(s) and in compliance with all applicable federal and state laws, that may include but are not limited to the Employee Retirement Income Security Act of 1974 ("ERISA"), as amended, the Public Health Service Act, as amended, the Internal Revenue Code of 1986, as amended, and ACA. The Group shall indemnify and hold harmless Blue Cross NC for any loss, liability, damage, expense, settlement, cost, or obligation (including reasonable attorney's fees) from any resulting assessments, penalties and/or regulatory charges (collectively, "Charges") incurred or paid by Blue Cross NC related to the failure of the Group to comply with applicable federal and state laws referenced above. The Group further agrees to provide initial and subsequent enrollment information to Blue Cross NC either by having Blue Cross NC paper applications signed and sent to Blue Cross NC or by transmitting such information electronically using a Blue Cross NC-designated electronic format. The availability of the electronic transmission of enrollment information is dependent on group size. As to those who do not enroll, the Group may, at the request of Blue Cross NC, have a waiver either signed and returned to Blue Cross NC or have a waiver recorded and maintained for a period of 11 months. Blue Cross NC reserves the right to perform an eligibility audit on a Group Health Plan upon reasonable notice. The Group shall provide necessary information to Blue Cross NC upon request.

4. Enrollment and administration of Member benefits shall be in accordance with this Contract, and the Benefit Booklet(s) are herein incorporated by reference, except to the extent modified by this Contract, as amended from time to time, or as otherwise required by applicable law regarding Blue Cross NC's obligation as a successor carrier to enroll persons without regard to confinement, actively at work status, or pregnancy, if they are otherwise eligible, upon issuance of this Contract. The Group must furnish Blue Cross NC with any data required by Blue Cross NC for coverage of Members under this Contract. In addition, the Group must provide prompt notification to Blue Cross NC of the effective date of any changes in a Member's eligibility status under this Contract of which the Group has actual knowledge. The Group agrees that terminations to membership, excluding terminations as a result of fraud or intentional misrepresentation of material fact, will not be made effective retroactively more than 30 days prior to the date Blue Cross NC is notified of the change. The Group shall ensure that any retroactive Member termination forwarded to Blue Cross NC is in compliance with federal law, specifically with any prohibition on rescissions. Blue Cross NC will assume that the Group's request for a retroactive termination is compliant with the law. The Group is solely responsible for providing to the Member any notice related to retroactive terminations or rescissions that are required by law. The Group shall indemnify and hold harmless Blue Cross NC for any loss, liability, damage, expense, settlement, cost, or obligation (including reasonable attorney's fees) from any resulting assessments, penalties and/or regulatory charges (collectively, "Charges") incurred or paid by Blue Cross NC related to a retroactive termination.
5. Any Members eligible under this Contract are subject to the same eligibility requirements as are applicable to employees that apply under any other health benefit plan or health maintenance organization plan offered by the Group. In the event the number of active eligible employees participating under this Contract reaches zero, this Contract and Member coverage hereunder shall automatically terminate as of the last paid thru date.

IV. FEES

1. Unless otherwise stipulated herein or by amendment hereto, coverage under this Contract is subject to the rating program approved by the North Carolina Insurance Department. Rates are guaranteed for a minimum period of 12 months from the effective date of this Contract or any subsequent renewal date, except as otherwise requested by the Group. Thereafter, any rate adjustment required under said rating program may be made by Blue Cross NC at any time upon 45 days written notice or issuance of the Group's finalized benefits, whichever is earlier, without requirement of signature by the Group.
2. If applicable, the Group agrees to collect the Members' fees and to transmit such fees along with the Group's required contribution (hereinafter referred to as "Fees") to Blue Cross NC's principal office on or before the due date of such Fees.

3. Blue Cross NC may charge the Group a late fee in the event the Fees are not received by Blue Cross NC at its principal office within fifteen days of the due date. In addition, Blue Cross NC may charge the Group a returned payment fee to cover the added administrative cost of processing multiple payments if the Group's bank does not honor the Group's check or other form of payment.
4. For Members on Dental Blue Select, if Fees are not received by Blue Cross NC at Dental Blue Select at PO Box 2400 Winston-Salem, NC 27102-2400 within 30 days of the end of the last paid through date, the Member's coverage hereunder shall automatically terminate as of that date. In the event Blue Cross NC does not exercise its right to automatically terminate on the 30th day, the right of termination will not be waived. Instead, beyond that 30th day Blue Cross NC will retain the right to terminate immediately for nonpayment upon written notice.
5. In the event the Fees collected by the Group and any additional charges as specified in paragraph 3 of this section are not received by Blue Cross NC at its principal office within 30 days of the end of the last paid thru date, this Contract and Member coverage hereunder shall automatically terminate as of the last paid thru date. In the event Blue Cross NC does not exercise its right to automatically terminate on the 30th day, the right of termination will not be waived. Instead, beyond that 30th day Blue Cross NC will retain the right to terminate immediately for nonpayment upon written notice.
6. The Group agrees that Blue Cross NC's obligation to pay claims for a given billing period does not arise until the Fees, and any late fees or returned payment fees, have been received for that billing period. Fees will be applied chronologically to the oldest unpaid billing period.

V. ADMINISTRATION OF COBRA CONTINUATION COVERAGE

In the event that federal continuation of coverage requirements of the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), as amended, apply to the Group, the obligations of the parties are as set forth in federal law except as described below:

1. Obligations of the Group for the dental product
 - a. The Group retains responsibility for all aspects of the administration of COBRA, pertaining to the group dental insurance coverage provided by this Contract. Blue Cross NC is not the plan administrator or plan sponsor for purposes of COBRA and has no responsibility for the Group's COBRA administration obligations except as indicated in paragraph 2 of this section.
2. Obligations of Blue Cross NC for the dental product
 - a. To the extent required by COBRA, and upon timely receipt of premiums and proper enrollment forms and election of coverage, Blue Cross NC will

provide coverage to qualified beneficiaries after the period that their coverage would normally cease under the Contract.

3. This provision shall not be interpreted to grant to any Member any continuation rights in excess of those required by COBRA. Further, this Contract shall be interpreted, if necessary, so as to comply with COBRA and any changes to COBRA that are mandatory with respect to the Group.

VI. DENTAL PROVIDER ARRANGEMENTS

1. Blue Cross NC has contracts with certain Providers of dental care services for the provision of, and payment for, dental services rendered to all Members entitled to dental benefits under this Contract. Blue Cross NC's payment to Providers may be based on an amount other than the Provider's actual charges, including without limitation, a fixed amount per Member per month (capitation), an amount per confinement or episode of care, agreed upon schedule of fees, or other methodology as agreed upon by Blue Cross NC and the Provider. Under certain circumstances, a contracting Provider may receive payments from Blue Cross NC greater than the charges with respect to services rendered to an eligible Member, or Blue Cross NC may pay less than charges for services, due to the negotiated contracts. The Member is not entitled to receive any portion of the payments made under the terms of contracts with Providers. The Member's liability when defined as a percent of charge, shall be calculated based on the lesser of the Allowed Amount or the Provider's actual charge for Covered Services rendered to a Member.

Blue Cross NC may, from time to time, make additional payments to contracting Providers providing dental services. These payments may be based on Blue Cross NC's evaluation of the quality and cost-effectiveness of the dental services provided to Members. The method, frequency and amount of such payments shall be determined solely by Blue Cross NC. Any payments of this type made by Blue Cross NC shall not serve to increase or decrease any payments due or owing by the Member.

2. The relationship between Blue Cross NC and Participating Providers is that of an independent contractor relationship; Hospitals, Nonhospital Facilities, Doctors, or Other Professional Providers are not agents or employees of Blue Cross NC, nor is Blue Cross NC or any employee of Blue Cross NC, an employee or agent of Hospitals, Nonhospital Facilities, Doctors, or Other Professional Providers. Blue Cross NC shall not be liable for any claim or demand on account of damages arising out of, or in any manner connected with, injuries suffered by the Member while receiving care in any Hospital or Nonhospital Facility or provided by any Doctor or Other Professional Provider, except Blue Cross NC may have liability for claims brought under Article 1G of Chapter 90 of the North Carolina General Statutes.

Participating Providers maintain the Provider-patient relationship with Members and are solely responsible to Members for all dental services. Certain Members may, for personal reasons, refuse to accept procedures or treatment by a

Participating Provider. Participating Providers may regard such refusal to accept their recommendations as incompatible with continuance of the Provider-patient relationship and as obstructing the provision of proper Medical Care.

Participating Providers shall use their best efforts to render all necessary and appropriate professional services in a manner compatible with a Member's wishes insofar as this can be done consistently with the Participating Provider's judgment as to the requirements of proper medical practice. If a Member refuses to follow a recommended treatment or procedure, and the Participating Provider believes that no professional acceptable alternatives exist, such Member shall be so advised.

Neither the Group nor any Member is the agent or representative of Blue Cross NC, and neither shall be liable for any acts or omissions of Blue Cross NC, its agents, or employees or of Participating Providers or any other person or organization with which Blue Cross NC has made or hereafter shall make arrangements for the performance of services under this Contract.

3. The choice of a Provider is solely the Member's. Blue Cross NC does not furnish Covered Services but only facilitates payment for Covered Services received by Members. Blue Cross NC is not liable for any act or omission of any Provider. Blue Cross NC has no responsibility for a Provider's failure or refusal to render Covered Services to a Member.

The use of an adjective such as Participating or Non-Participating as applied to any Provider is not a statement as to the existence of a principal/agent or employer/employee relationship or as to the ability of the Provider.

4. Recoveries of overpayments from Participating Providers can arise in several ways, including, but not limited to, anti-fraud and abuse audits, Provider/Hospital audits, credit balance audits, utilization review refunds, and unsolicited refunds. In some cases, Blue Cross NC will engage third parties to assist in identification or collection of overpayment amounts. The fees of such a third party are deducted from the recovery. Recovery amounts, net of fees, if any, will be applied in accordance with applicable Blue Cross NC Policies, which generally require correction on a claim-by-claim or prospective basis.

VII. COORDINATION OF BENEFITS

1. Blue Cross NC shall provide coordination of benefit ("COB") services to the Group in accordance with the description of these services in the Benefit Booklet and applicable laws. COB applies to the Health and/or Dental Plan(s) under this Contract when an Employee or the Employees' covered Dependent has health or dental care coverage under more than one Plan. For purposes of COB, a Health or Dental Plan includes any of the following which provides benefits or services for, or because of, dental care or treatment:
 - a. Group insurance coverage, exclusive of school accident, blanket, franchise individual, automobile, or homeowner coverage;
 - b. Blue Cross and/or Blue Shield coverage;

- c. Health maintenance organization and other prepayment group coverage;
- d. Coverage under labor management trustee plans, union welfare plans, employer organization plans, or employee benefit organization plans; and
- e. Coverage under a governmental plan or required or provided by law, except Medicaid coverage or any plan with benefits in excess to those of any private insurance program or other non-governmental program.

2. Effect on Benefits

- a. When Blue Cross NC coordinates benefits under this section, the benefits that would be payable under this Contract shall be reduced to the extent necessary so that the sum of such reduced benefits and all the benefits payable for such Covered Services under all other Health or Dental Plans, shall not exceed the Allowed Amount for such Covered Services.
- b. When this provision operates to reduce the total amount of benefits otherwise payable as to a person covered under this Contract, each benefit that would be payable shall be reduced independently and such reduced amount will be charged against any applicable benefit limit of this Contract.
- c. Blue Cross NC will not affirmatively investigate the existence of any Plan, nor will Blue Cross NC determine the amount of benefits payable under any Plan except this Contract. Except as otherwise provided in the Benefit Booklet(s), the payment of benefits under this Contract shall be affected by the benefits payable under another Plan only to the extent that Blue Cross NC is furnished with information regarding another Plan by the Group or Member or any other organization or person.

3. Facility of Payment

Whenever payments should have been made under this Contract in accordance with this provision, but the payments have been made under another Plan, Blue Cross NC has the right to pay to any organization that has made such payment any amount it determines to be warranted to satisfy the intent of this provision. Amounts so paid shall be deemed to be benefits paid under this Contract and to the extent of the payments for Covered Services, Blue Cross NC shall be fully discharged from liability under this Contract.

4. Right of Recovery

- a. Whenever payments have been made by Blue Cross NC for Covered Services in excess of the maximum amount of payment necessary at that time to satisfy the intent of this provision, irrespective of to whom paid, Blue Cross NC shall have the right to recover the excess from among the following, as Blue Cross NC shall determine: any person to or for whom such payments are made, any insurance company, or any other organization.

- b. The Subscriber, personally and on behalf of Dependents shall, upon request, execute and deliver such documents as may be required and do whatever else is necessary to secure Blue Cross NC's rights to recover the excess payments.

VIII. WORKERS' COMPENSATION

Blue Cross NC may seek reimbursement for medical or dental payments made under this Contract from a Member, the Member's employer, or the workers' compensation carrier that is liable or responsible for a specific dental charge according to a final adjudication of the claim under a state's workers' compensation laws, or an order of a state's Industrial Commission or other applicable regulatory agency approving a settlement agreement. Upon the admission or adjudication that the claim of a Member is compensable, the party or parties liable are required to notify Blue Cross NC, in writing, of the admission or adjudication of compensability. The Group agrees that in the event the Group or its workers' compensation carrier is liable or responsible for medical or dental expenses reimbursed by Blue Cross NC pursuant to this Contract, the Group will notify Blue Cross NC of a final adjudication or admission of compensability.

IX. TERM AND TERMINATION

1. This Contract shall be effective for a period of 12 months beginning on the 1st day of October, 2023, and, unless terminated as hereafter provided, shall be automatically renewed for a period of one year upon the terms and conditions herein set forth.
2. The Group may terminate this Contract at any time by providing prior written notice to Blue Cross NC. In the event that the Group has obtained other health coverage, written notice may be provided after the requested termination date, but no later than 30 days after the requested termination date. Any claims paid for dates of service occurring after the requested termination date will be reprocessed and any premium amounts paid for dates of coverage after the requested termination date will be refunded. In accordance with NCGS 58-50-40, the Group must provide timely notification of the termination of this Contract to every Subscriber.
3. Blue Cross NC may terminate this Contract for any of the following reasons so long as written notice is given:
 - a. nonpayment of Fees, Paper Fees, late fees or returned payment fees, by the Group. The termination will be effective as of 12:01 a.m. on the day following the paid through date;
 - b. fraud or intentional misrepresentation of a material fact by the Group or, with respect to coverage of individual Members, the Members or their representatives;

- (i) Blue Cross NC may rescind the Contract upon discovery of any fraud or intentional misrepresentation of a material fact by the Group by providing 30 days advance written notice. The Group shall forfeit any Fees theretofore paid to the extent of any liability incurred by Blue Cross NC. The Group is responsible for any additional costs incurred by Blue Cross NC which are related to the fraud or intentional misrepresentation and not covered by the Fees subject to forfeiture. These remedies are without prejudice to any other remedies available to Blue Cross NC under the law.
 - (ii) Blue Cross NC may rescind a Subscriber's or Member's coverage under the Contract for dental upon discovery of any fraud or intentional misrepresentation of a material fact by the Subscriber or Member by providing 30 days advance written notice. The Subscriber and/or Member shall forfeit any Fees theretofore paid to the extent of any liability incurred by Blue Cross NC. The Subscriber and/or Member is responsible for any additional costs incurred by Blue Cross NC which are related to the fraud or misrepresentation and not covered by the Fees subject to forfeiture.
 - c. when the Group fails to comply with contribution or participation rules required under the terms of coverage, specifically including such rules and underwriting requirements set forth in the applicable quote and/or group enrollment application. Coverage will be terminated upon 30 days prior notice;
 - d. Blue Cross NC ceases to offer all coverage in the market applicable to the Group (i.e., the small employer market or the large employer market) or in both markets, provided that notice is given to the Group, Subscribers and their covered dependents and the North Carolina Department of Insurance 180 days prior to cancellation;
 - e. Blue Cross NC ceases to offer a dental insurance product in the market applicable to the Group (i.e., the small employer market or the large employer market) that is being provided to the Group pursuant to this Contract, provided that notice is given to the Group and to Subscribers and their covered dependents 90 days prior to cancellation and:
 - (i) if the Group is a small employer group under state law, the Group is given the option to enroll in any small employer product offered by Blue Cross NC;
 - (ii) if the Group is not a small employer group under state law, the Group is given the option to enroll in a product chosen by Blue Cross NC that is currently offered for sale in the large group market by Blue Cross NC.
- 4. Termination of the Contract automatically terminates all Members' coverage except as may be provided herein. It is the responsibility of the Group to notify all Members of the termination of the coverage when the Contract is terminated

pursuant to paragraph 2 above. It is the responsibility of Blue Cross NC to notify all Members of the termination of coverage when the Contract is terminated pursuant to paragraph 3 above. Coverage will be terminated effective on the date this Contract is terminated, regardless of whether the required notice is given. Issuance of a nongroup contract to affected Members and Subscribers will be as required by North Carolina law; or if not required by law, at the option of Blue Cross NC and upon the terms offered by Blue Cross NC.

X. USE AND DISCLOSURE OF PROTECTED HEALTH INFORMATION

1. In connection with the performance of its duties and obligations under this Contract, Blue Cross NC receives, uses, and discloses Protected Health Information ("PHI") (as that term is defined in 45 Code of Federal Regulations Section 160.103, as amended from time to time) about Members as permitted and required by law. Blue Cross NC's disclosure of PHI to the Group is highly regulated, and is limited by applicable laws, regulations, and standards in many ways. This section sets forth Blue Cross NC and the Group's agreements concerning disclosure of this PHI to the Group.
2. Blue Cross NC has imposed upon it significant limitations on the PHI that can be transmitted to the Group. Accordingly, in performance of this Contract, Blue Cross NC may, in certain situations, be required by law or corporate policy to refuse to provide certain PHI to the Group, even when requested by them.
3. The Group recognizes that, as a general matter, PHI will not be disclosed to them, unless this disclosure is permitted by law and Blue Cross NC corporate policy, and the Group has met its own obligations allowing it to receive this information, including placing appropriate restrictions on any further use of this PHI.
4. The Group also recognizes that, in certain circumstances required or permitted by law or by Blue Cross NC policy, Blue Cross NC may take reasonable steps to remove, scramble or otherwise eliminate individual identifiers from certain information that is provided to the Group.
5. Blue Cross NC recognizes that there are limited situations where the Group has a legitimate business need for PHI and where such PHI may be supplied in compliance with both the applicable law and with Blue Cross NC corporate policy. In these limited situations, Blue Cross NC may disclose PHI that is reasonably necessary for the Group to fulfill its legitimate business need.
6. Where PHI is provided to the Group for any purpose, the Group agrees to the following obligations:
 - a. It agrees that this PHI cannot be used in connection with any decision affecting the Employee.
 - b. The Group shall indemnify and hold harmless Blue Cross NC from any loss, liability, damage, expense, settlement, cost, or obligation (including reasonable attorneys' fees) from any resulting assessments, penalties and/or regulatory charges (collectively, "Charges") incurred or paid by Blue

Cross NC related to the release of PHI by Blue Cross NC to the Group or from the Group's subsequent use of such information.

- c. It agrees that only the appropriately designated Group Plan Administrator, or his or her designee, or an appropriately designated representative of the Group, may have any access to PHI. In order for even these designated individuals to receive PHI, the Group must have appropriate security and confidentiality measures in place to prevent unauthorized access by other personnel. If the designated Group Plan Administrator or designated representative changes roles and no longer has access to PHI and/or authorization to designate others to have access to PHI, then the Group must notify Blue Cross NC within 24 business hours to update our records and system access.
- d. It agrees that this PHI will only be used or disclosed as required or permitted by the Standards for Privacy of Individually Identifiable Health Information, 45 Code of Federal Regulations, Parts 160 and 164.

XI. GENERAL PROVISIONS

1. Blue Cross NC as Independent Corporation. The Group on behalf of itself and its participants, hereby expressly acknowledges its understanding that this policy constitutes a Contract solely between the Group and Blue Cross NC which is an independent corporation operating under a license from the Blue Cross and Blue Shield Association, an association of independent Blue Cross and Blue Shield plans, permitting Blue Cross NC to use the Blue Cross and Blue Shield Service Marks in the State of North Carolina and that Blue Cross NC is not contracting as an agent of the Blue Cross and Blue Shield Association. The Group on behalf of itself and its participants, further acknowledges and agrees that it has not entered into this policy based upon representations by any person other than Blue Cross NC and that no person, entity, or organization other than Blue Cross NC shall be held accountable or liable to the Group for any of Blue Cross NC's obligations to the Group created under this policy. This paragraph shall not create any additional obligations whatsoever on the part of Blue Cross NC other than those obligations created under other provisions of this agreement.
2. Non-Agency Relationship. The Group is agent of the Members and not of Blue Cross NC.
3. Entire Agreement. This Contract, the group enrollment application, Member enrollment information (submitted on paper applications or transmitted electronically using a Blue Cross NC-designated format), Endorsements, amendments, or documents incorporated by reference shall constitute the entire Agreement between the parties and voids and supersedes all previous writings, agreements, and contracts, if any, between the Group and Blue Cross NC. All statements made by the Group or by an individual Member shall, in the absence of fraud, be deemed representations and not warranties, and no such statement shall be used in defense to a claim under this Contract unless it is contained in a written application.

4. Amendments. No agent or employee of Blue Cross NC is authorized to change the form or content of this Contract except to make necessary and proper insertions in blank spaces. Such changes can be made only through an amendment authorized and signed by an officer of Blue Cross NC.

Only the Board of Trustees of Blue Cross NC or its authorized designee, may waive or vary any provisions of this Contract.

This Contract can be amended by Blue Cross NC at any time to be effective upon 45 days prior written notice to the Group or at a later date as specified in such notice, unless the Group shall cancel this Contract by giving 30 days prior written notice of termination.

5. Force Majeure. To the extent that a natural disaster, war, riot, civil insurrection, labor dispute, epidemic, complete or partial destruction of facilities, atomic explosion or other release of nuclear energy, or any other cause not within the control of Blue Cross NC results directly or indirectly in the facilities, personnel, subcontractor(s), network Providers, or financial resources of Blue Cross NC not being available for a period of time (the "force majeure period") to provide or arrange for services or benefits under this Contract, Blue Cross NC's non-performance shall not be considered a breach of this Contract and Blue Cross NC's obligation to provide such services or benefits during the force majeure period shall be limited to the requirements that Blue Cross NC make a good faith effort to provide or arrange for the provision of such services or benefits within the resulting limitations on the availability of its facilities, personnel, or resources. After such force majeure period, Blue Cross NC shall resume performance of its obligations under this Contract.
6. Notices. Any notice required under this Contract must be in writing in a format specified in this Section. Notice given to the Group will be sent by mail or electronically by email to the address or email address as entered in Blue Cross NC's records. Notice given to Blue Cross NC will be sent by mail to Blue Cross NC's address of record. Notice given to a Subscriber and/or Member will be sent by mail or electronically by email to the Subscriber or Member's address or email address as it appears on the records of Blue Cross NC or in care of the Group. The Group, Blue Cross NC, a Subscriber, or a Member, may, by written notice, indicate a new address and/or email address for giving notice. Any notice to the Group, Subscriber, or Member shall be considered to have been conveyed to and received by such individuals when deposited with the United States mail or like courier service or when electronically sent by email as permitted by this Section, to the Group, Subscriber or Member at the address or email address shown on Blue Cross NC's records.
7. Contract Violations. The waiver by either party of a breach or violation of any provision of this Contract shall not be construed to be a waiver of any subsequent breach thereof.
8. North Carolina Contract. This Contract is made, executed, and delivered in the State of North Carolina, and it and the Member coverage provided hereunder

shall be governed under the laws of the State of North Carolina, except to the extent preempted by federal law.

9. Assignment. This Contract, the right to receive benefits hereunder, and the right to receive payment for services, shall not be assigned, sublet, or transferred by the Group, without the consent of Blue Cross NC.
10. Invalid Provisions and Severability. In the event any provision of this Contract conflicts with the laws under which this Contract is to be construed, or if any provision is held invalid by a court with jurisdiction over Blue Cross NC, such provision shall be deleted from this Contract and the Contract shall be construed to give effect to the remaining provisions of the Contract.

Typographical errors will not invalidate otherwise valid coverage.

11. Headings. The headings contained herein are for the convenience of reference only and are not intended to define, limit, or describe the scope or intent of any provision of this Contract.
12. Confidentiality. "Confidential information" shall mean information disclosed from one Party ("disclosing Party") to the other ("receiving Party") relating to the disclosing Party's pricing, pricing methodology, technical, marketing, products, services, business affairs, proprietary and trade secret information in oral, graphic, written, electronic or machine readable form, and the terms and conditions of this Contract. Each receiving Party agrees to protect the confidentiality of the disclosing Party's Confidential Information and agrees not to use Confidential Information for any purposes other than in connection with the obligations under this Contract. Each Party shall maintain the Confidential Information of the other Party in confidence using at least the same degree of care as it employs in maintaining in confidence its own proprietary and confidential information, but in no event less than a reasonable degree of care. Both Parties agree not to disclose Confidential Information to any third party except as permitted under applicable law or regulation or under this Section 12. The Group may disclose the Confidential Information to its attorney(s) or consultant(s), provided that such persons have first executed an agreement, with terms at least as stringent as those in this Contract, to keep confidential all Confidential Information that the Group discloses to them. The Group agrees not to solicit Confidential Information pertaining to any group which is not a party to this Contract. Blue Cross NC may disclose the Confidential Information to its attorney(s) or any third party. The obligations of this section shall survive termination of this Contract.

GROUP SIGNATURES FOR:

Group: VANCE CHARTER
SCHOOL
Group Number: T110829001

Signed For:

By _____

Print Name and Title of Authorized Official

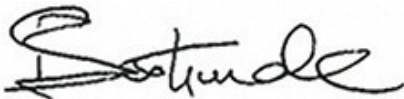
Signature of Authorized Official

Date

Because this Contract is being offered only in conjunction with a signed Group Apply Form from Blue Cross and Blue Shield of North Carolina, VANCE CHARTER SCHOOL's signature on the Group Apply Form will constitute the Group's agreement to this Contract, without requirement of additional signature.

BLUE CROSS AND BLUE SHIELD OF NORTH CAROLINA

By



President

September 11, 2023

Date