

## **CONSULTING SERVICE AGREEMENT**

This Consulting Service Agreement (“Agreement”) is entered into as of June 1, 2025 (the “Effective Date”), by and between S&A Chtata Enterprises, LLC DBA Overt Stop Loss (“consultant”) located at 11844 Bandera Rd #519, Helotes, Texas 78023; and Brazoria County (the “client”) whose principal offices are located at 237 East Locust ST. #203, Angleton, Texas 77515.

WHEREAS the Client wishes to enter a consulting relationship with Overt Stop Loss, independent contractor, on the terms and conditions set forth in this Agreement, and Overt Stop Loss is willing to accept such a consulting relationship.

NOW THEREFORE, for and in consideration of the provisions and conditions set forth in this Agreement, the client and consultant agree as follows:

### ***I. Consulting Agreement Term***

This Consulting Agreement shall commence and be effective on June 1, 2025, and shall remain in effect for an initial term of one (1) year(s) ending May 31, 2026. Following the initial term, this Agreement shall automatically renew (“Renewal Term”) for successive four (4) one-year terms (“Renewal Term”) unless either party provides at least thirty (30) day’s prior written notice of its intent to not renew this Agreement prior to the end of the Initial Term or the then current Renewal Term. This agreement may be renewed when agreed upon by both parties. This agreement is subject to the *Fees* described herein.

### ***II. Termination***

Either party may terminate this Consulting and Analytics Agreement with or without cause earlier than the end date, by giving the other party at least thirty (30) days written notice of its intent to terminate this Agreement. In the event such termination is effective during the consulting or analytics Period, Client shall be responsible to consultant for any services and fees provided and performed prior to the date of termination.

### ***III. Services***

Overt Stop Loss will provide consulting services as fully described in Exhibit A (“Scope of Services”). Exhibit A is attached to and made a part of this Agreement. Overt Stop Loss will perform other services (Additional Services”) as the client and consultant mutually agreed upon, in writing.

### ***IV. Fees***

Subject to any changes, as may be mutually agreed by the parties, a consultant is being engaged on a monthly fee basis. The monthly fee is \$4,166 per month. Consultant fee is guaranteed for One (1) year (“Initial Term”) and Four (4) one-year terms (“Renewal Term”). Overt Stop Loss has the right to change the consulting fee starting after the “(Renewal Terms”) have expired.

**V. Monthly Statements, Payment Terms and Communication**

Statements for fees due will be emailed monthly unless otherwise advised. The Statements are due and payable upon receipt. Any invoice that is not paid within 30 days of its date will be considered past due. Past due billings will accrue interest at the rate of 1.5% per month (18% per annum) until paid.

**VI. Future Services**

This agreement will also apply to services rendered for such future matters that we mutually agree will be handled by Overt Stop Loss, provided that the engagement in each such future matter is evidenced by a confirming letter setting forth the scope of such future services. If future services are substantially different from those to which this agreement applies, and/or there are any proposed material changes in fee or expense terms, either party may request that a new consulting agreement be executed, or that an amendment to this agreement be entered into by the parties.

**VII. Review, Acknowledgement, and Execution Prior to Commencement of Scope of Services.**

If this letter correctly sets forth your understanding of the scope of services by Overt Stop Loss to the client, and if the terms are satisfactory, we ask that you please execute a copy of this agreement and return to us. If the scope of services described is incorrect or if the terms of the agreement set forth in this letter are not satisfactory for you, please let us know so that we can discuss either aspect.

**VIII. Performance and Scope**

A) Reliance. In terms of the performance of its duties, a consultant may rely upon and will have no obligation to independently verify the accuracy, completeness, or authenticity of any written instructions or information provided to Overt Stop Loss by the Client or its designated representatives and reasonably believed by Overt Stop Loss to be genuine and authorized by the Client.

B) No Practice of Law. The client hereby specifically states and understands that consultant is not an attorney and does not provide legal advice. The consultant will not be obligated to perform, and the client will not request the performance of any services which may constitute unauthorized practice of law. The client will be solely responsible for obtaining any legal advice, review or opinion as may be necessary to ensure that its own conduct and operations, including the engagement of consultant under the scope and terms as provided herein, conform in all respects with applicable State and Federal laws and regulations (including ERISA, the Internal Revenue Code, State and securities laws and implementing regulations) and, to the extent that the client has foreign operations, any applicable foreign laws and regulations.

C) Advisory Capacity. The client acknowledges and understands that the services are limited to an advisory capacity only and represent the opinion(s) and suggestion(s) of Overt Stop Loss. Notwithstanding the Services being provided by consultant, services shall not be construed, in any way, shape or form, as decisions on the part, or in behalf, of client. The client hereby specifically states and agrees that all decisions related to client's business, operations, personal affairs and all other matters discussed between client and consultant, are deemed to have been made and shall be made by client in its sole and absolute discretion. Notwithstanding the above, failure to agree with and/or implement the suggestion(s) of consultant shall not be deemed cause for non-payment of services.

D) Subcontractors. Consultant will not be using any subcontractors for the scope of services being provided in this consultancy agreement.

E) Conflict of Interest. Consultant engagement under this agreement will not prevent consultant from taking similar engagements with other clients who may be competitors of the client. The consultant will, nevertheless, exercise care and diligence to prevent any actions or conditions which could result in conflict with the client's best interest.

## **IX. Confidentiality**

A) Client Information. Consultant recognizes that certain confidential information may be furnished by the client to consultant in connection with its services pursuant to this Agreement ("Confidential Information"). The consultant agrees that it will disclose Confidential Information only to those who, in consultant's reasonable determination, have a need to know such information. Confidential Information will not include information that (i) is in the possession of a consultant prior to its receipt of such information from the Client, (ii) is or becomes publicly available other than because of a breach of this Agreement by consultant, or (iii) is or can be independently acquired or developed by consultant without violating any of its obligations under this Agreement. However, disclosure by consultant of any Confidential Information pursuant to the terms of a valid and effective subpoena or order issued by a court of competent jurisdiction, judicial or administrative agency or by a legislative body or committee will not constitute a violation of this Agreement.

B) HIPAA Privacy. Consultant and the client will each comply with any prohibitions, restrictions, limitations, conditions, or other requirements to the extent they apply to them directly or indirectly pursuant to the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") and its implementing regulation concerning privacy of individually identifiable health information as set forth in 45 CFR Parts 160-164, as amended from time to time. Where required, the client, as a representative of the health plans and consultant, will enter into a separate Business Associate Agreement.

C) Use of Names; Public Announcements. No party will use, in any commercial manner, the names, logos, trademarks or other intellectual property of the other party without its prior written consent. Except as may be required by law, no party will issue any press releases or make any public announcements of any kind regarding the relationship between the parties without the other party's prior consent.

**X. Limitation of Liability**

A) Limitation of Liability. Excluding client's indemnification obligations under Section VI. A) above, in no event will either party be liable to the other party for any incidental damage, consequential damage, special damage, indirect damages, loss of profits, loss of revenues, or loss of use, even if informed of the possibility of such damages. To the extent permitted by applicable law, these limitations and exclusions will apply regardless of whether liability arises from breach of contract, warranty, tort (including but not limited to negligence), by operation of law, or otherwise. If either party shall be liable to the other party for any matter arising from this agreement, whether based upon an action or claim in contract, warranty, equity, negligence, intended conduct or otherwise, (including any action or claim arising from an act or omission, negligent or otherwise, of the liable party), the amount of damages recoverable against the liable party with respect to any breach, performance, nonperformance, act or omission hereunder will not exceed one million dollars (\$1,000,000). This provision fully applies permitted by applicable law.

**XI. Method of Delivering Notices**

Any notices, requests and other communications pursuant to this Agreement shall be made via e-mail. Notice shall be effective upon receipt. Each party has designated the following individual at the following e-mail address to receive notice, requests or communication:

<b>BRAZORIA COUNTY</b>	<b>OVERT STOP LOSS</b>
Attention: Holly Fox	Attention: Stephanie Chtata
Phone: (979) 864-1797	Phone: 210-845-5053
Email: hollyf@brazoriacountytx.gov	Email: schtata@overtstoploss.com

Either party, by e-mail request, may change the e-mail address to which notices to such party sent.

**XII. Miscellaneous**

A) Severability. Any clause, provision, paragraph or article of this Agreement held by a court of competent jurisdiction to be invalid, illegal or ineffective shall not impair, invalidate or nullify the remainder of this Agreement, but the effect thereof shall be confined to the clause, sentence, provision, paragraph or article so held to be invalid, illegal or ineffective.

B) Agreements, Exhibits and Amendments. This Agreement including all Exhibits and Amendments constitutes the entire agreement between client and consultant. All Exhibits attached to this Agreement are incorporated by reference and expressly made part of this Agreement as if copied verbatim. This Agreement may be amended by written agreement and executed by both client and consultant.

C) Applicable Law. This Agreement will be construed, and in accordance with the laws of the State of Texas. All services performed by the consultant shall always follow all applicable federal, state, and local laws, ordinances, and regulations.

**Consulting and Education**

D) Agreement Binding on Successors. This Agreement and all covenants, benefits, privileges, and benefits hereunder, shall be binding upon and shall inure to the benefit of parties hereto and their successors and assigns.

E) Execution of Multiple Counterparts. This Agreement may be executed by the parties in several counterparts, each of which shall be deemed to be an original, but all of which when taken together shall constitute one and the same instrument.

F) Survival of Provisions. Sections VI(a), VII and VIII will survive the termination of this Agreement.

G) Mediation of Disputes: In the event of any dispute under this Agreement as to any matter, term, provision, right or covenant herein contained, the meaning of any term or provision, the breach of or default under any provision or covenant of this Agreement, and/or the enforcement of and under any provisions, rights or covenants of this Agreement, the parties agree to attempt to resolve such dispute and conflict by mediation within forty-five (45) days after written notice thereof is given by a party to the other party utilizing a third party neutral agreed upon by the parties or if no agreement is reached as to such third party neutral then such neutral shall be appointed by a District Judge sitting in Brazoria County, Texas, upon any party's motion or request. The mediation shall be held in Brazoria County, Texas.

H) Force Majeure: If by reason of Force Majeure any party hereto shall be rendered unable wholly or in part to carry out its obligations under this Agreement, then if such party shall give notice and full particulars of such Force Majeure in writing to other party within a reasonable time after occurrence of the event or cause relied on, the obligation of the party giving such notice, so as it is affected by such Force Majeure, shall be suspended during the continuance of the inability then claimed, but for no longer period, and any such party shall endeavor to remove or overcome such inability with all reasonable dispatch. The term "Force majeure" as used herein shall mean acts of God, strikes, lockouts, or other industrial disturbances, acts of public enemy, order of any kind of the Government or the courts of the United States or the State of Texas, or any Civil or military authority insurrection or on account of any other causes not reasonably within the control of the party claiming such inability.

IN WITNESS WHEREOF, the parties hereto have caused this Consulting Agreement to be duly executed on the date first written above.

<b>BRAZORIA COUNTY (CLIENT)</b>	<b>OVERT STOP LOSS (CONSULTANT)</b>
By:	By:
Printed Name:	Printed Name:
Title:	Title:
Date:	Date

## SCOPE OF SERVICES

### Exhibit A

The consultant will provide the following services, as mutually agreed by the client and consultant in writing. Scope of Services are subject to changes as mutually agreed upon by both parties. All Scope of Services identified below are initial and additional services could be identified as the transition timeline progresses.

**CONSULTING SERVICES** *(The timing and frequency for the services described below may be altered when mutually agreed to by client and consultant.)*

#### I. FORECASTING AND MODELING:

- a. Medical & Rx Claim Forecasting: Estimate future claim costs based on historical trends, seasonality, and known risk factors to stop loss (e.g., high-cost claimants, new treatments).
- b. Trend Adjustments: Apply inflation (trend factors) to prior year claims to forecast future stop loss expected costs
- c. Adjustments for Plan Design Changes: Project stop loss impact of benefit design or network changes on future claim costs
- d. Large Claim Forecasting: Model potential high-cost claims and likelihood of breaching specific deductibles.
- e. Laser Impact Modeling: Project claim impact of current or potential lasers on future stop loss coverage needs.
- f. Shock Claim Scenarios: Run "what if" scenarios based on catastrophic or known ongoing conditions.
- g. Expected vs. Attachment Point Projections: Calculate monthly expected claims and monitor against aggregate attachment points.
- h. Cumulative Claims Projections: Forecast year-to-date run-out against the aggregate stop loss threshold.
- i. Specific Reimbursement Forecast: Estimate reimbursements based on known and projected large claims. Project timing and amounts of stop loss reimbursements
- j. Underwriting Expectation Projections: Forecast potential renewal rate changes based on current loss ratio, large claimants, lasers, and market trends.
- k. Alternate Deductible Modeling: Show projected premiums and reimbursements under varying specific deductible levels.
- l. Total Cost of Risk Projections: Help project total cost of risk including fixed costs (stop loss premium) and variable costs (claims, admin fees).
- m. Peer Group Comparisons: Projected outcomes versus similar sized groups or industry standards.
- n. Carrier Performance Projections: Estimate how alternative carriers or contract terms might impact projected costs and reimbursements.
- o. Analyze data from data analytics platform per client request and as data is downloaded from carriers monthly.

#### B. Claims Review & Monitoring

- a. Analyze large claims activity and ongoing high claimant reports.
- b. Track new large claimants and evaluate impact on specific/deductible thresholds.
- c. Monitor claim lag reports for abnormal patterns or delays.
- d. Validate claims against policy provisions and exclusions.

- C. Specific & Aggregate Tracking
  - a. Update specific claim reimbursement tracking logs.
  - b. Review aggregate claims vs. expected attachment point (cumulative).
  - c. Identify any trend towards aggregate breach and notify client.
- D. Contract Performance Evaluation
  - a. Assess stop loss reimbursements for accuracy and timeliness.
  - b. Compare paid vs. expected outcomes to evaluate carrier performance.
  - c. Flag any discrepancies or processing issues with stop loss carriers.
- E. Lasering & Renewal Risk Evaluation
  - a. Identify potential laser candidates for upcoming renewals.
  - b. Estimate renewal underwriting exposure based on current claimants.
  - c. Begin early positioning strategy for groups with heavy risk.
- F. Reporting & Communication
  - a. Prepare and distribute monthly stop loss snapshot reports to clients.
  - b. Summarize claim activity, projected risks, and key stop loss metrics.
  - c. Communicate any red flags, reimbursement delays, or strategic concerns.
- G. Data Analytics Coordination
  - a. Work with TPA, PBM, and carriers to ensure accurate data feeds.
  - b. Validate eligibility files and claim extracts used for reporting.
  - c. Confirm completeness and consistency of data for reporting accuracy.
- H. Market Pulse & Benchmarking
  - a. Track carrier updates, market trends, and pricing shifts.
  - b. Benchmark current case performance vs. industry norms.
  - c. Stay updated on new stop loss product features or services.
- I. Strategic Planning Support
  - a. Support and collaborate with brokers/clients with proactive renewal forecasting.
  - b. Recommend risk mitigation strategies (e.g., case management, predictive analytics, lasers, carve out programs).
  - c. Begin outlining renewal options and alternative carrier considerations.

## II. RENEWAL MARKETING SUPPORT:

- a. Identify the advantages and disadvantages of renewing as is, or making changes
- b. Provide estimated increase or decrease reflecting the financial impact of potential plan changes
- c. Negotiate and coordinate renewal with current carrier, or
- d. Develop strategy and timeline starting from preparation and initiation of the RFP, through selection of the new vendor/carrier, to the effective date of the new plan year
- e. Support custom RFP process based on client need
- f. Develop RFP and gather all reporting necessary to obtain a thorough stop loss market analysis from all stop loss carriers
- g. Develop and submit to local newspapers the legal notice for the Stop Loss RFP which is billable to the client, if applicable.
- h. Release RFP and/or work with the purchasing department to release to stop loss carriers and any vendors that request the RFP as a result from the public bid.
- i. Address questions or requests for additional information during the RFP process
- j. Provide a detailed comparison of vendor initial responses to the RFP
- k. Facilitate the best and final phase of the selection process with respondents
- l. Ensure that vendor responses meet minimum bid requirements and highlight areas of value-added benefits, or any other variations in coverages or costs
- m. When required, coordinate finalist interviews and questions to support the final

- decision-making process
- n. Facilitate decision process by coordinating close collaboration and discussions with the appropriate team members
- o. Provide coverage summary recommendations and/or presentation to Commissioners Court.
- p. Support amendments to the plan
- q. Coordinate all communications with appropriate team members and the stop loss carrier
- r. Coordinate with administrators on stop loss priority claimants which have contingencies to be sure they are cleared as identified.

### III. POLICY IMPLEMENTATION:

- a. Facilitate coverage binding process.
- b. Support implementation of the new/renewed policies.
- c. Review Plan Document vs. stop loss carrier policy to identify any coverage gaps
- d. Negotiate policy language as necessary to match plan.
- e. Facilitate all TPA/carrier approvals and network analysis with carriers.
- f. Coordinate invoices with accounting and stop loss carrier for monthly premiums.
- g. Audit binding documents and stop loss policy prior to release.
- h. Coordinate all communications with appropriate team members for system set up and reporting parameters for new stop loss renewal contract terms.

### IV. STOP LOSS EXPERTISE CONSULTING AND EDUCATION:

- a. Provide stop Loss education to internal and external sources
- b. Provide consulting on all Stop Loss matters
- c. Identify technical solutions, workflow process improvements, and any other opportunities that add administrative ease to the stop loss processes.

### V. STOP LOSS MONTHLY REPORTING AND CLAIM FILING SERVICES

- a. Working with the various GA, TPA, ASO and PBM vendors to make sure claims, notifications and reporting is performed according to stop loss policy guidelines.
- b. Perform stop loss audits of the specific and aggregate monthly reporting.
- c. Collaborate with GA, TPA, ASO and PBM vendors to appeal against any stop loss claim amounts, as needed.
- d. Facilitate aggregate filings and audits with vendors, group, and administrators if an aggregate claim should be filed.

IN WITNESS WHEREOF, the parties hereto have agreed to the Scope of Services identified above in Exhibit A as related to this consulting agreement.

<b>BRAZORIA COUNTY (CLIENT)</b>	<b>OVERT STOP LOSS (CONSULTANT)</b>
By:	By:
Printed Name:	Printed Name:
Title:	Title:
Date:	Date

