

## **ASSUMPTION AGREEMENT**

This Agreement is executed on this \_\_\_\_\_ day of \_\_\_\_\_, 2018, by and between City of Orlando, hereinafter referred to as "Plan Sponsor" and Standard Insurance Company, Portland, Oregon, hereinafter referred to as "The Standard".

### **RECITALS**

1. Prior to January 1, 2014, Plan Sponsor adopted a self-funded Long Term Disability Plan (hereinafter referred to as "the Plan") which provided disability benefits to certain of Plan Sponsor's employees according to the Plan's terms and conditions.
2. Beginning January 1, 2014, The Standard provided administrative services to the Plan as described in the Disability Program Administrative Services Agreement between Plan Sponsor and The Standard.
3. Plan Sponsor desires that The Standard assume full financial responsibility and liability for all claims which were incurred under the Plan before January 1, 2014.
4. The Standard agrees to accept such responsibility and liability on the condition that Plan Sponsor pay The Standard the amount set forth in Paragraph 2.1.

### **PART 1 - FINANCIAL RESPONSIBILITY AND ADMINISTRATION**

#### **1.1 Claims**

From and after October 1, 2018, The Standard hereby assumes full financial and administrative responsibility for all claims which were incurred under the Plan before January 1, 2014. The Standard's obligations under this Paragraph 1.1 are conditioned only upon receipt by The Standard of the amount specified in Paragraph 2.1 of this Agreement.

#### **1.2 Hold Harmless**

The Standard shall hold the Plan, the City of Orlando Disability Income Trust dated September 10, 2012 and its Trustees, the Plan's administrative committee and Plan Sponsor, its directors, officers, employees, and Plan Sponsor subsidiaries and affiliates, their directors, officers and employees harmless from any and all liabilities, claims, lawsuits, administrative proceedings, settlements, compromises, judgments, costs, penalties, and expenses, including but not limited to, attorneys' fees, pretrial discovery, deposition and investigation expenses, compensatory or consequential damages, special and punitive damages, arising out of or resulting from The Standard's administration of any claim referred to in Paragraph 1.1 of this Agreement.

#### **1.3 Plan Administration**

The Standard shall administer the claims which are described in Paragraph 1.1 of this Agreement in accordance with the applicable signed Plan Document for the Plans adopted by Plan Sponsor, copies of which are attached hereto as Exhibit "A" and incorporated herein by this reference.

Additionally:

1. Each monthly payment will be paid in advance of the month benefits are due.
2. The services provided under the Benefit Contribution Service Agreement will be continued for the claims which are described in Paragraph 1.1.

3. For claims with overpayments as of October 1, 2018, the overpayment arrangements in effect on September 30, 2018 will continue under this Agreement. The repaid amounts will be retained by The Standard and not be returned to the Plan Sponsor.

1.4 On or before October 31, 2018, The Standard will refund to the City the balance of the Claims Reimbursement Deposit Account under the Disability Program Administrative Services Agreement.

## PART II – ASSUMPTION FEE

### 2.1 Open Claims

The Plan Sponsor shall pay to The Standard the sum of \$1,127,000 in consideration for The Standard's assumption of Plan Sponsor's liability as described in Paragraph 1.1.

This assumption fee is due and payable by October 1, 2018.

### 2.2 Documentation

Plan Sponsor shall provide The Standard such information as it may request in order to carry out its duties under this Agreement or the Plan.

### 2.3 Notice to Claimants

Plan Sponsor shall give to the persons listed on Exhibit “B” and any other persons for whom Standard assumes claim liability under this Agreement notice of the assumption by The Standard of the Plan Sponsor's liability for payment of long term disability benefits under the Plan pursuant to this Agreement.

## PART III - MISCELLANEOUS

3.1 This Agreement constitutes the entire agreement of the parties regarding the matters covered in this Agreement. No modification or amendment of this Agreement shall be valid unless made in writing and signed by each party.

3.2 This Agreement shall be deemed to have been entered into in the State of Florida, and all questions concerning validity, interpretation, or performance of any of its terms or provisions or any rights or obligation parties, shall be governed by and resolved in accordance with the laws of the State of Florida. The location for the settlement of any claims or disputes arising out of this Agreement shall be exclusively in the state or federal courts located in Orange County, Florida.

3.3 This Agreement shall inure to the benefit of and shall be binding upon the successors and assigns of both parties.

3.4 Captions of the Parts and Paragraphs of this Agreement are for convenience and reference only, and the words contained in such captions shall in no way be employed to explain, modify, amplify, or aid in the interpretation, construction, or meaning of the provisions of this Agreement.

3.5 Litigation Expenses - If litigation between any of the parties hereto arises out of this Agreement, the prevailing party shall be entitled to recover legal expenses, including but not limited to, attorney's fees, pretrial discovery, deposition and investigation expenses, and other expenses reasonably and necessarily incurred in such litigation at the trial and appellate court levels.

3.6 This Agreement is effective on October 1, 2018 but only if, on or before that date, a court of sufficient jurisdiction in Orange County, Florida has approved the termination of the City of Orlando Disability income Trust dated September 10, 2012 upon The Standard's assumption of the claims under the Plan as described in this Agreement.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective officers duly authorized to do so on the date first written above.

Plan Sponsor:

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

Title \_\_\_\_\_

STANDARD INSURANCE  
COMPANY

By



Chairman, President and CEO



Corporate Secretary