
**An Indemnity Contract
Providing for the Administration of a
Health Spending Account (Private Health Services Plan)
by National HealthClaim**

This Administrative Services Indemnity Agreement Made as of
the _____ day of (month) _____, 20____.

Between:

National HealthClaim Corp.
("NHC")

OF THE FIRST PART

- and -

(the "Subscriber")

OF THE SECOND PART

WHEREAS NHC and the Subscriber wish to enter into an indemnity contract whereby NHC, for consideration, agrees to indemnify certain persons in respect of certain hospital expenses, medical expenses, medical plans or any combination of such expenses or plans;

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the mutual premises and covenants herein contained, the receipt and sufficiency of which is hereby acknowledged, it is agreed that:

Definitions

1. The following definitions shall be used throughout this agreement:
 - a. "Administrative Fee" means the fee to be paid by the Subscriber to NHC concurrently with the Eligible Medical Expenditure, as outlined in Schedule "B", plus any applicable taxes payable thereon, including Goods and Services Tax and any applicable Provincial taxes;
 - b. "Claim Adjudication" means the process whereby NHC adjudicates a claim of a Qualified Person to determine, among other things, whether such claim is a type which is covered by the PHSP and whether such claim has been paid by the Qualified Person;
 - c. "Eligible Medical Services" means only those hospital expenses, medical expenses, medical plans or any combination of such expenses or plans which, pursuant to the *Income Tax Act* (Canada), including section 248(1) and section 118.2(2) thereof and regulations thereunder, may be included in the PHSP;
 - d. "Eligible Medical Expenditure" means expenditures in respect of Eligible Medical Services provided to a Qualified Person, up to maximum amounts as set out in Schedule "A" hereto;
 - e. "Fee Guide" means the Schedule of Administrative Fees which is attached as Schedule "B" hereto, forming part of this Agreement;
 - f. "PHSP" means the private health services plan (known as the Health Spending Account) to be established and administered pursuant to this indemnity contract by NHC on behalf of the Subscriber wherein, upon a Qualified Person making an Eligible Medical Expenditure, the Subscriber shall remit the Premium to NHC, following which, upon a

satisfactory Claim Adjudication, NHC shall indemnify the Qualified Person for the cost of the Eligible Medical Expenditure;

- g. "Premium" means the sum of the Eligible Medical Expenditure, the Administrative Fee and any applicable taxes payable thereon, including Goods and Services Tax and any applicable Provincial taxes;
- h. "Qualified Person" means such employees of the Subscriber and other persons as are set out in Schedule "A" hereto who may, depending on the plan offered by the Subscriber, include the spouse or common law partner of the employee (including same-sex common-law partners) or any member of that employee's household who is a dependent of that employee, as defined for purposes of the Canada *Income Tax Act*, so long as there is a contract of employment in good standing;

Covenants of the Subscriber

- 2. Upon receipt of a claim from a Qualified Person for reimbursement of a medical expenditure, the Subscriber shall pay the Premium to NHC, together with all documentation as is necessary for NHC to perform the Claim Adjudication process.
- 3. The Subscriber shall keep NHC immediately informed of any changes to the information in Schedule "A" hereto, which shall be amended accordingly. These changes are to be kept current on the secure HSA web site.

Covenants of NHC

- 4. In the event that the Premium is paid to NHC by way of non-certified funds, NHC will not be obliged to pay any funds out of its trust account until such funds have actually cleared and been deposited unconditionally to NHC's trust account.
- 5. Subject to paragraph 4 herein, upon receipt of the Premium NHC shall:
 - a. commence the Claim Adjudication; and
 - b. maintain the Premium in its trust account on behalf of the Subscriber until such time as NHC either:
 - i. pays the amount of the Eligible Medical Expenditure to the Qualified Person and subsequently transfers the Administrative Fee to itself, all in accordance with paragraph 6 herein; or
 - ii. returns the Premium to the Subscriber pursuant to paragraph 7 herein.
- 6. In the event that, through the Claim Adjudication process, NHC determines that the claim is one which is covered by the Health Spending Account, it shall:
 - a. indemnify that Qualified Person in respect of such claim by issuing a cheque in the amount of such Eligible Medical Expenditure to such Qualified Person;
 - b. issue a Premium statement to the Subscriber; and
 - c. transfer the Administrative Fee to its own account.

7. In the event that, through the Claim Adjudication process, NHC determines for any reason that the claim is not one which is covered by the PHSP, it shall forthwith return the Premium to the Subscriber, or Hold the balance of Premium in the Subscriber's account for future use, and inform the Qualified Person with an explanation of why the claim is not covered.
8. NHC shall use commercially reasonable efforts to ensure that the Claim Adjudication process and the indemnification of a Qualified Person (if required) are completed in a timely manner.
9. NHC shall not become entitled to the Administrative Fee unless and until the cheque or payment in the amount of the Eligible Medical Expenditure (if required) has been issued to the Qualified Person.
10. NHC reserves the right to change the Administrative Fee on 30 days' written notice to the Subscriber.

Conditions Precedent

11. Conditions precedent to the performance of this indemnity agreement are that:
 - a. there shall be a contract of employment in good standing between the Subscriber and the Qualified Person or the person through whom such Qualified Person makes a claim pursuant to the PHSP; and
 - b. the Subscriber shall have an undertaking or a contractual obligation to the Qualified Persons, and each of them, to indemnify such Qualified Persons in respect of Eligible Medical Expenses;

and that by submitting a Premium and documentation to NHC pursuant to paragraph 2 herein, the Subscriber represents to NHC that such conditions precedent exist.

Enforcement by Qualified Persons

12. NHC agrees that Qualified Persons are entitled to enforce NHC's obligations to indemnify them pursuant to this agreement notwithstanding that such Qualified Persons are not named, nor have they signed, as parties to this agreement and that in the event of such enforcement, NHC shall not raise the issue of privity of contract.

General

13. This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein.
14. The Parties agree that the within agreement is an indemnity contract in respect of hospital expenses, medical expenses or any combination of such expenses pursuant to the Canada *Income Tax Act*, including section 248(1) therein and that they will construe and interpret this agreement accordingly.
15. Headings used in this Agreement are used for convenience only and shall not form the basis for any interpretation of the terms of intent of this Agreement.
16. If one or more of the provisions of this agreement or any part of them is, or adjudged to be, invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby, and such invalid, illegal or unenforceable provision or part shall be deemed to be severable.

17. The Subscriber acknowledges that it has had the opportunity to obtain its own legal and tax advice with respect to this agreement.
18. Schedules "A" and "B" referred to herein and attached hereto are incorporated by reference to and form part of this agreement.
19. This agreement may be executed and delivered in separate counterparts and by facsimile, each of which when so executed and delivered shall constitute the one in the same instrument.
20. Termination of this Indemnity Contract and associated Administration Services can be done with 30 days written notice from either the Subscriber or NHC. Upon termination, any funding balance within the account will be returned to the Subscriber.

Signed in (city) _____, _____, this _____ day of (month) _____, 20____.

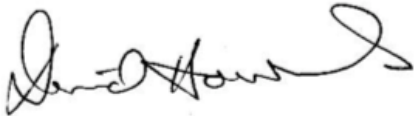
NATIONAL HEALTHCLAIM CORP.

the SUBSCRIBER

David Howard

Per: (Print full name of Officer)

Per: (Print full name of Subscriber)



(Signature of Officer)

(Signature of Subscriber)

Director
(Title of Officer)

(Title of Subscriber)

**Schedule “A”
to Administrative Service Indemnity Agreement**

Subscriber Profile, Plan Design, and Employee Eligibility

The complete details of the subscriber profile, Health Spending Account plan design, and the employee eligibility information is recorded in the NHC secure web site. It is the responsibility of the subscriber Plan Administrator to keep this information current.

**Schedule “B”
to Administrative Service Indemnity Agreement**

Fees and Terms – Health Spending Account

1. Administration Fee – calculated as follows:
 - Is a percentage of the employee benefits paid out under the Health Spending Account.
 - GST is charged on the administration fee.
 - Further details about the actual admin fee can be found within the “Base Plan Details” section of the Plan Admin portion of the NHC secure web site.
2. Cheques are payable to National HealthClaim Corp. ‘In-Trust’.
3. The Health Spending Account will be funded on a timely basis.