



**AHCP**  
America's Health Care Plan  
a division of Allstate Health Solutions

## AGENT INFORMATION

Legal Name: \_\_\_\_\_  
Last First MI

Address: \_\_\_\_\_  
Street Address Apartment/ Unit #  
\_\_\_\_\_ City State Zip Code

Home Phone: \_\_\_\_\_ Business Phone: \_\_\_\_\_

Email Address: \_\_\_\_\_

SSN: \_\_\_\_\_ Tax ID: \_\_\_\_\_ Date of Birth: \_\_\_\_\_

FFM ID: \_\_\_\_\_ NPN #: \_\_\_\_\_

Bilingual?  No  Yes Languages spoken other than English \_\_\_\_\_

## UPLINE & COMMISSION

Direct Up-line/ Manager: \_\_\_\_\_ DP: \_\_\_\_\_

Commission Level: \_\_\_\_\_ (Unsure? Contact your up-line)

Do you have a monthly Quotit subscription?  No  Yes

Advance Options:  3 Month  6 Month  As Earned

\*No interest (Advance options will have a 3% admin fee)

## APPOINTMENT INSTRUCTIONS

Appointment Checklist for: **Allstate Health Solutions (NHIC) Agency Appointment**

- Page 1 AHCP Appointment Coversheet (this page)
- Page 2-100 Allstate Agency Contract
- Page 101-102 Signature & Direct Deposit Authorization (Commissions paid by AHCP)
- Page 103 W9
- Page 104-120 AHCP Producer Agreement

Additional Requirements

- Copy of all current licenses
- Copy of E&O Insurance Certificate
- Supporting documentation for any "Yes" answers to background questions



PROSPECTIVE AGENCY APPLICATION

Agency/Business Entity

Name of Agency/Corp \_\_\_\_\_

TIN/FEIN \_\_\_\_\_ NPN \_\_\_\_\_

Business Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Business Phone \_\_\_\_\_ Mobile Phone \_\_\_\_\_

Business Email \_\_\_\_\_ Alternate Email \_\_\_\_\_

Does the agency/company engage in the sale, solicitation or negotiation of insurance products without the direct involvement of an individual licensed agent (for example, direct to consumer sales via their website)? Yes \_\_\_ No \_\_\_

Please note: if your business practices change, such that your response to this question changes, you are required to notify us immediately.

Do you have E & O coverage? Yes \_\_\_ No \_\_\_

Carrier Name \_\_\_\_\_ Certificate Number \_\_\_\_\_

Agent/Principal Agent

Full Legal Name \_\_\_\_\_ Nickname \_\_\_\_\_

Social Security No. \_\_\_\_\_ Birthdate \_\_\_\_\_ NPN \_\_\_\_\_

Resident Address \_\_\_\_\_

City \_\_\_\_\_ County \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Have you lived at your present address for at least five years? Yes \_\_\_ No \_\_\_

Previous Address \_\_\_\_\_

City \_\_\_\_\_ County \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Business Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Mailing Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Business Phone \_\_\_\_\_ Mobile Phone \_\_\_\_\_

Business Email \_\_\_\_\_ Alternate Email \_\_\_\_\_

IMPORTANT: No business may be solicited in any state until all state licensing requirements have been satisfied.



Please answer the following questions.

YES NO

1	In the past 3 years, have you ever had a professional license refused, revoked, suspended; or, has disciplinary action been taken against you by a regulatory agency?		
If you answered yes, please provide details:			
2	Are you currently indebted to any insurance company or agency, or is there any dispute regarding your insurance accounts?		
If you answered yes, please provide details:			
3	Have you ever pled guilty or no contest or been convicted of any violation of law other than minor traffic violations?		
If you answered yes, please provide details:			
4	Has your appointment or contract with an insurance company ever been terminated for cause?		
If you answered yes, please provide details:			

If necessary, a representative of Allstate Health Solutions or Allstate Benefits may request additional information.

DISCLOSURE

- (1) I hereby represent that the answers and statements (the "information") I am providing Allstate and its affiliates (the "Company") on this application are correct, complete, and wholly true.
- (2) I understand the Company will rely on the information provided by me in this application in determining my eligibility for appointment, and may, at its option, terminate our resulting business relationship if any of the information is determined to be not as I have indicated above.
- (3) I give the Company, its employees, agents, and/or contractors permission to conduct direct advertising, make promotional phone calls, send faxes and send electronic mail to the phone numbers and mailing/electronic mail addresses listed above, as well as to any other contact information I provide. This permission continues until specifically revoked by me in writing.

Agent Signature \_\_\_\_\_ Date \_\_\_\_\_

IMPORTANT: No business may be solicited in any state until all state licensing requirements have been satisfied.

**NATIONAL HEALTH INSURANCE COMPANY  
AGENCY MARKETING SERVICES AGREEMENT**

THIS AGREEMENT is made and entered into as of \_\_\_\_\_ (“Effective Date”), by and between NATIONAL HEALTH INSURANCE COMPANY, and its Associated Organizations, primarily located at 4455 LBJ Freeway, Suite 375, Dallas, TX 75244, and hereinafter called “Company” and

(Agency) \_\_\_\_\_ primarily located in

(city/state) \_\_\_\_\_ hereinafter called “Agency.”

For the purposes of this Agreement, Company and Agency may hereafter be referred to individually as a "Party" and collectively as the "Parties".

**WITNESSETH**

WHEREAS, Company is a licensed life, accident and health insurer; and

WHEREAS, Agency is a corporation licensed, if required, by the State Departments of Insurance in the states where it is engaged in the business of selling, marketing and servicing life, accident and health insurance policies through licensed insurance agents; and

WHEREAS, Company desires to engage the services of Agency and its agent/broker distribution network to assist Company in connection with the distribution of the Products by providing sales and marketing support services as more fully set forth in this Agreement; and

WHEREAS, Company has or will soon hereafter appoint Agency and its Agents and Representatives; and

WHEREAS, Agency and its Agents and Representatives desire to accept the engagement and appointment by Company and to provide such services in connection with the Products.

NOW THEREFORE, for and in consideration of these premises and of the mutual covenants and agreements hereinafter set forth, the Parties hereto agree as follows:

**A. DEFINITIONS**

"Agents" or "Representatives" means those individuals duly licensed as accident and health and life (if applicable) insurance agents or brokers who are members of Agency's agent distribution network are contracted as such with Agency and have been approved and appointed by Company. Agents are also referred to herein as Representatives.

"Associated Organizations" means Integon National Insurance Company, American Heritage Life Insurance Company and Integon Indemnity Corporation.

"Compensation" means any and all amounts paid to Agency by Company (or Program Manager, where applicable) in accordance with this Agreement, including but not limited to marketing fees and commission payments.

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"Master Policy" means the agreement between a Policyholder and the Company pursuant to which the Policyholder offers insurance benefits to Enrollees.

"Policyholder" means: a) for Group Business, any employer, association, union or other lawfully recognized group that has entered into a master policy agreement for the benefit of its employees or members or participants ("Enrollees"); or b) for Individual Business, the certificate holder with "Enrollees" denoting covered family members.

"Products" (capital "P") means the various accident, life, medical, dental benefit plans, Programs or other benefit plans or services that are, or may be, offered by Company to Policyholders pursuant to which Policyholders will provide insurance benefits to its Enrollees. The term "products" (lower case "p") refers to good or services not offered by the Company.

"Program" means the combination of insurance and non-insurance products, goods and/or services offered by the Company and/or Agency and Agent or Representatives to Policyholders for the benefit of Enrollees. A Program may include Company's Products and/or other products not offered by Company.

"Program Manager" means an entity with which Company maintains an agreement to provide certain sales and marketing support services to Agency and Agency's Representatives. If no Program Manager has been assigned by Company, then there is no Program Manager and any terms contained herein relating to a Program Manager are not applicable.

**B. REPRESENTATIONS AND WARRANTIES**

1. Representations and Warranties of Agency

Agency hereby represents and warrants to Company:

- a. There is no restriction or limitation, by reason of any law, regulation, contract, agreement or otherwise, upon Agency's right or ability to enter into this Agreement or to fulfill its obligations hereunder.
- b. Agency will, and shall require its Representatives to, comply with all applicable statutory and regulatory requirements pertaining to the business of insurance and the sale thereof, including but without limitation, maintaining, at all times during which this Agreement is in effect, all licenses, certificates and permits required in any state in which Agency performs services for, or on behalf of Company, as well as all other applicable State and Federal statutory and regulatory requirements, including but not limited to HIPAA (defined below). Agency shall immediately notify Company of any loss or suspension of its, or, on obtaining knowledge of, any Representative's license related to the sale of insurance. Agency shall immediately upon learning thereof, notify Company of any criminal, civil or administrative action involving Agency or any Representatives. Agency acknowledges that it is Agency's responsibility to know and comply with the current and future laws or regulations of the states (resident or non-resident) in which Agency or Representatives operate.

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- c. Agency shall, and shall ensure that its Representatives, conduct all sales activities and telemarketing campaigns in accordance with applicable laws and regulations. Without limiting the foregoing in any way, Agency further represents and warrants that it and its Representatives shall, in all respects and at all times, maintain strict compliance with the requirements of the Controlling the Assault of Non-Solicited Pornography and Marketing Act of 2003 (CAN-SPAM), the Telemarketing and Consumer Fraud and Abuse Prevention Act (TCFAPA), the Telephone Consumer Protection Act of 1991 (TCPA) and the Federal Trade Commission's Telemarketing Sales Rule (TSR), all as may be amended in the future, and specifically (by way of example and not limitation) those provisions pertaining to obtaining express consent from consumers to call their mobile phone numbers and to call them utilizing an automatic telephone dialing system. Agency further agrees to provide, and shall ensure that its Representatives provide, proofs of customers' express consents as may be required by Company in its sole discretion and to allow Company to audit Agency's policies, procedures and actual practices (including, without limitation, on site observation of Agency's and/or its Representatives' operations) in order to verify compliance with this provision and applicable law. Failure to cooperate with Company requests under this section, or if a review or audit should determine less than 100% compliance with CAN-SPAM, the TCFAPA, TCPA, TSR or other applicable law, may result, in Company's sole discretion, in immediate termination of this Agreement without any further liability or obligation on the part of Company whatsoever. In the event a consumer who is contacted by Agency or one of its Representatives on behalf of Company indicates that he or she does not wish to receive any further telemarketing calls from or on behalf of Company, Agency shall take such necessary steps to ensure that said consumer is not contacted again by Agency or one of its Representatives on behalf of Company and Agency shall communicate said consumer's desire in a manner mutually determined by the parties within 48 hours of the consumer's request.
- d. Neither Agency nor, to its knowledge, any Representative has ever suffered any loss, suspension or termination of any license issued by a federal, state or local government authority in connection with the sale of any type of insurance; and neither Agency nor, to its knowledge, any Representative has ever suffered suspension or termination of the right to represent an insurance company for cause other than normal expiration of an agreement. In the event Agency has suffered any loss, suspension or termination as noted herein, Agency shall disclose any such incidents to Company, and Company shall in its sole discretion approve or deny Agency's request for appointment or re-appointment.

2. Representations and Warranties of Company

Company hereby represents and warrants to Agency:

- a. There is no restriction or limitation, by reason of any law, regulation, contract, agreement or otherwise, upon Company's right or ability to enter into this Agreement or to fulfill its obligations hereunder.
- b. Company is in compliance with and will continue to comply with all applicable statutory and regulatory requirements related to its business, including but without limitation,

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licenses, certificates and permits required by those states where it is authorized to provide insurance.

**C. DUTIES OF THE AGENCY**

1. Agency will perform the following sales and marketing functions on behalf of Company and shall perform such services based on its understanding that Company is relying on Agency to sell Products and perform such services for all business written through that Agency.
2. Agency will participate in the development of Programs on behalf of Company and in accordance with the Company's guidelines and rules.
  - i. Prior to any marketing, Company must review and approve all products included in a Program. Agency may not use Company's sales and/or marketing materials without Company's prior consent, which shall not be unreasonably withheld or delayed.
  - ii. All products included in a Program which are provided by Agency to a Policyholder but are not Company Products shall be the sole responsibility of Agency. Agency hereby agrees to indemnify and hold harmless Company, its administrative agent, Policyholders, their affiliated companies and agents and their respective officers, directors and employees from any and all claims, suits, demands, liabilities, costs, damages and expenses of any kind or nature, including reasonable attorneys' fees, that are determined in a final adjudication as arising out of or related in any way to products which are not Company Products. This provision shall survive the termination of this Agreement.
3. Agency shall promote the interest of Company and shall carefully develop, supervise, direct and exercise control over the Representatives:
  - i. Agency shall perform all due diligence on prospective Representatives; Agency shall review and verify all prospective Representative information and make an initial determination that prospective Representative meets the Company's criteria for credentialed Agents, copies of such criteria will be provided to Agency.
  - ii. Where applicable and upon satisfactory completion of due diligence activities as referenced above, Agency shall prepare a request and submit it to Company together with Agency's recommendation and certification that the prospective Representative satisfies all of Company's requirements for Agents. Company reserves the right to refuse to appoint any proposed Agent or Representative and if previously appointed by the Company, to terminate such appointment at its sole discretion. No prospective Representative shall be considered an Agent unless and until said Representative is licensed, appointed and approved by Company.
  - iii. Agency warrants that it has or will, and shall require that its Representatives: (i) currently have, and in the future will obtain any and all licenses and appointments required by Company, state or local laws or regulations to perform the services contemplated by this Agreement; and (ii) perform their duties and responsibilities in accordance with all applicable laws, rules and regulations. Agency, on behalf of itself and the Representatives, further acknowledges and agrees that, unless

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- agreed to in writing by Company, Company will have no responsibility for Agency's or its Representatives' license, income, self-employment, unemployment and any and all other taxes, fees and levies upon their respective businesses. Agency shall and hereby does indemnify and hold harmless Company and Policyholders from all liability for the same. Agency shall ensure that Representatives maintain workers compensation, as applicable, and errors and omissions insurance in industry standard or statutorily required amounts. Agency agrees to provide proof of said insurance upon request by Company.
- iv. Agency shall notify Company immediately if it or, to the extent that it has actual knowledge, any of its Representatives suffers termination, suspension or expiration of its license to engage in the sale and/or servicing of health insurance policies within any state where it is currently conducting business and/or any other information which may affect the Representative's or Agency's compliance with this Agreement.
  - v. Agency agrees to train the Representatives to be fully familiar with the Products with the approval and assistance of Company.
  - vi. Agency shall, and shall require Representatives to, comply with all of Company's rules and requirements in existence as of the Effective Date, as indicated herein and in the Agent Agreement and appointment paperwork, and as may be modified by Company from time to time, notification of which will be provided to Agency.
  - vii. Agency acknowledges and agrees that neither it nor its Representatives has any authority to offer a Master Policy to any Plan Sponsor on behalf of the Company without the prior written approval of a duly authorized representative of the Company.
  - viii. Agency acknowledges and agrees that neither Agency nor the Representatives shall have any authority to sign any contract, nor make any binding obligation, on behalf of Company. Approval will arise, if at all, from strict adherence to underwriting, eligibility and other criteria established solely by Company and Policyholders.
  - ix. All agreements between Agency and Representatives relating to the sale of Company's Products shall be in writing.
  - x. Agency acknowledges and agrees that neither Agency nor the Representatives shall directly or indirectly solicit, market or sell Products in any state in which Company is not licensed to sell and/or market insurance. Company will provide a list of any such states, and any updates to such list, to Agency upon request.
  - xi. Agency shall immediately and promptly notify Company of any change in the mailing address, phone number, or other pertinent contact information of Agency and/or its Representatives.
4. All monies received on behalf of Company by Agency or any Representatives for premiums, by reason of this Agreement, shall belong solely and exclusively to Company and shall be collected only with prior approval of Company and subject to Company's



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procedures relating thereto. If Company authorizes Agency to collect and hold premiums, such monies shall be received and held by Agency in a fiduciary capacity and shall be deemed in trust for Company, and shall be paid over in full to Company as and when directed.

5. Agency and all Representatives shall promptly make available to Company any and all information which comes into Agency's or Representative's possession concerning the underwriting of a risk as applicable.
6. Agency shall be responsible to Company for the acts and/or omissions of Agency, its Representatives, agents and employees and shall also require its Representatives, agents and employees to be responsible to, and to indemnify, Company and Agency for the acts and/or omissions of the Representatives and their agents and employees.
7. Any and all marketing materials, including solicitation letters, brochures, magazines or news articles concerning the Products prepared by Agency and/or Representatives shall be approved in writing by Company before such materials are distributed. Unless agreed to by the Parties, the costs of preparation and distribution of such materials shall be borne by the Party preparing them.
8. Neither Agency nor the Representatives shall employ or make use of any advertisement or material in which the Company's or Policyholders names and/or corporate symbols are contained without the prior express written consent of Company and Policyholders.
9. All printed materials, applications, sales literature and other written material which Company may furnish to Agency and which Agency may furnish to Representatives shall remain the property of Company, subject at all times to its control, and Agency shall return or destroy all such materials to Company immediately upon the termination of this Agreement or upon Company's request. Agency shall ensure that all Representatives adhere to Company's procedures with respect to the use of sales materials. Agency and/or Program Manager (where applicable) shall also periodically review the solicitation and sales techniques of each Representative's transaction with potential clients.
10. Agency shall not make any representations with respect to the Products except as may be contained in the written materials approved by or prepared and furnished by Company, and shall make no oral or written alteration, modification or waiver of any of the terms or conditions applicable to the Products.
11. The Agency and its Representatives shall make every reasonable effort to maintain in force all policies held by Policyholders of the Company and shall render all reasonable assistance in connection therewith.
12. Agency and its Representatives agree to produce new sales on a regular basis for Company. Company shall have the sole right to determine the volume, measure and time period of production needed to maintain this Agreement or authorization to sell a specific Product. If Compensation payments to Agency fall below \$650 in any consecutive 12 month period, then Company shall have the right to discontinue paying Compensation otherwise owed to Agency and/or terminate this Agreement effective immediately upon notice to Agency by Company.

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13. Company and Policyholders shall not be liable in any manner for any Compensation, expenses, costs or damages resulting from their failure or refusal to accept a potential Policyholder solicited by Agency or Representatives, irrespective of the reason or cause for such failure or refusal.
14. Agency shall serve as a resource to Representatives in their enrollment of potential Policyholders or Enrollees and/or the servicing of Policyholders or Enrollees and to enable them to provide information and support to Enrollees and Policyholders concerning Products including, but not limited to the following:
- i. as necessary, addressing Enrollees and Policyholder inquiries concerning benefits whether in person, by telephone, or via correspondence;
  - ii. communicating as necessary with Company's enrollment department concerning initial and monthly enrollments, terminations and contract effective and renewal dates;
  - iii. making available Agency personnel to make presentations and provide such other information which Representatives may require in the course of marketing or servicing the enrolled Policyholder;
  - iv. acting as a distribution source supplying all Representatives with marketing literature and materials as needed; assisting in facilitating the premium collection process if such process has been approved by Company.
15. Agency shall promptly report any and all complaints or inquiries from regulatory agencies directly to Company and shall fully cooperate and support Company's investigations and response to said complaints or inquiries. Further, Agency agrees to collect and report all formal customer complaints (complaints that are in writing and/or appeals directed to the Master Policyholder), irrespective of if such complaints require action by Company. Agency shall provide data noting the complainant, date received, date closed, narrative on the issue, final disposition of the complaint and root cause/summary of the complaint. Such data shall be provided to Company or Company's designee on a quarterly basis. Agency shall also immediately notify Company of any complaints or compliance matters regarding Agency or a Representative and, upon request of Company, furnish a written recommendation or statement concerning the facts and appropriate course of action. Agency and its Representatives shall cooperate with Company with regard to Company's investigation of a complaint received with regard to Agency or its Representatives.
16. Agency shall maintain errors and omissions insurance with a carrier rated A- or better by AM Best during the term of this Agreement in an amount reasonably required by Company, but in no event less than one million (\$1,000,000) dollars per occurrence and two million dollars (\$2,000,000) in the aggregate. Agency shall notify the Company within one business day of any reduction, modification, cancellation or termination of such coverage. Agent agrees to maintain errors and omissions insurance for the sale of all Products offered by the Company.

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17. Upon request by Company, Agency shall be responsible for reimbursing Company for all applicable state appointment fees paid by Company with respect to Agency and its Representatives, and all processing fees charged in connection with such appointments.

**D. COMPENSATION**

1. While this Agreement is in force, Agency will be paid based on the amount of premium (or, where applicable, premium equivalent) received by Company on Products issued from applications for such submitted by Agency for Products Agency is authorized to sell. Compensation will be payable only on Products maintained in-force.
2. If Agency has been assigned a Program Manager: Agency shall be paid directly by Program Manager, as determined by the agreement between Agency and Program Manager. Agency acknowledges and agrees that Company, its administrative agent and Policyholders shall have no liability whatsoever to Agency with respect to Compensation paid or payable to Agency by the Program Manager.
3. If Agency has NOT been assigned a Program Manager:
  - i. Company will pay Agency directly in accordance with the applicable Compensation and Product Schedules as full Compensation for services and expenses, and such are incorporated in this Agreement. The Compensation listed in the applicable Compensation and Product Schedule will outline Agency's individual Compensation payments as an agent and the Compensation Agency receives as a General Agent, as applicable. Company reserves the right to revise the Compensation and Product Schedules as Company deems appropriate.
  - ii. Compensation on all Products written by Agency's Representative shall be paid directly to Agency and Agency shall be solely responsible for remission of such Compensation to its Representatives. Unless Agency has authorized Company to pay Agency's Representatives directly, Agency must promptly and accurately pay any Compensation due to Agency's Representatives.
  - iii. Compensation payable under this Section D.2, or any other agreement with Company, shall be offset to repay any indebtedness or claims now due, or which may become due at any time, from Agency, or one of its Representatives, to Company. Company shall have a first lien on all Compensation as security for payment of any and all such debts or claims, whether arising hereunder or otherwise, and Company shall have the right, without any requirement that Company first obtain Agency's consent or give Agency notice, to deduct any monies so due from such Compensation. This lien shall not be extinguished by termination of this Agreement and shall be binding on Agency and Agency's executors, administrators, or assigns. All monies and indebtedness due Company shall be payable immediately upon demand, together with the legal rate of interest and any administrative costs of collection including attorney's fees and expenses.

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- iv. Upon receipt of Compensation, Agency, and if not satisfied as to its correctness, must notify Company in writing of any discrepancy within one hundred eighty (180) days from the date the Compensation is received or Agency shall be deemed to have admitted its accuracy and correctness.

**E. GENERAL PROVISIONS**

1. Term and Termination

- a. Term. The term of this Agreement shall be for one (1) year, commencing on the date first set forth above. Unless sooner terminated in accordance with the provisions set forth below, this Agreement shall automatically renew for successive one-year term(s).
- b. Termination. This Agreement may be terminated:
  - i. Without cause by either party at any time for any reason by delivering written notice to the other party at least thirty (30) days prior to the effective date of such termination. After the effective date of termination, Agency and its Representatives shall be precluded from marketing new or renewal business on behalf of Company and shall return to Company any and all documents furnished to the Agency by Company.
  - ii. For Cause by Company effective immediately with written notice, with termination effective on the date of mailing, for the following causes:
    - (1) Agency's filing of a voluntary or involuntary bankruptcy petition involving the other party, or the appointment of a receiver, conservator; supervisors, or similar official concerning the other party;
    - (2) The assignment by Agency of all or substantially all of its assets for the benefit of its creditors; or
    - (3) The inability of Agency to pay its debts as they become due; or
    - (4) upon the discovery of any fraudulent or material misrepresentation of Agency or Agency's Representatives; or
    - (5) upon the termination, revocation, suspension and/or limitation of any required insurance related license, permit or approval in any state in which it is marketing and/or selling and/or servicing Company's Products, in which case Agency's ability to provide services under this Agreement in that particular state is terminated until such license, permit or approval is once again in effect; or
    - (6) upon accounting irregularities as adjudged solely by Company; or
    - (7) if Agency becomes subject to a regulatory investigation of any nature, unless Company is satisfied with the outcome of such investigation; or

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- (8) upon the commitment of any gross negligence or reckless misconduct by Agency in connection with this Agreement as determined solely by Company or
  - (9) by Company immediately upon a change of ownership and control of Agency or a merger of Agency with any other entity, unless Company consents in writing to such change or merger; or
  - (10) Agency induces or attempts to induce a Policyholder or Enrollee to give up coverage or replace a Master Policy with one issued by another company, unless such change is clearly in the best interest of the Policyholder or Enrollee, as determined solely by the Company; or
- iii. Agency refuses to sign a HIPAA Business Associate Agreement.
  - iv. By either Party on thirty (30) days written notice upon the failure of either Party to comply with any material term, condition or obligation of this Agreement and the failure of such Party to undertake substantial efforts to remedy the default within fifteen (15) days after the non-defaulting Party shall have given written notice thereof to the non-performing Party, or such other longer period of time as in the opinion of the non-defaulting Party shall be reasonable under the circumstances;
- c. Termination of this Agreement shall in no way affect the terms and conditions of any Master Policy or other agreement with a Policyholder issued by Company or by Agency on Company's behalf during the term of this Agreement.
  - d. Neither Party shall incur any liability to the other by reason of the expiration or termination of this Agreement or its non-renewal, provided, however, that the termination of this Agreement for any reason shall not terminate any rights, obligations or liabilities which either Party may accrue prior to such termination which, under the terms of this Agreement, continue after such termination,
  - e. At Company's request, after termination, Agency agrees to continue to provide reasonable account support services to Company until such time as Company, or its designee, assumes the account support services responsibilities. Agency further agrees that it shall reasonably cooperate with Company to ensure an orderly transition of marketing and account support services to Company or its designee.
  - f. In the event this Agreement is terminated by Company pursuant to the aforementioned Section E.1.b.ii, Company reserves the right to discontinue paying any Compensation or other amounts due pursuant to this Agreement.

**2. Indemnification**

Agency shall indemnify, defend and hold Company, its administrative agent and their directors, officers, employees, agents and affiliated companies harmless from and against any and all claims, suits, demands, liabilities, costs, damages and expenses whatsoever, including reasonable attorney's fees, arising from or related in any way to: (i) any and all services negligently rendered hereunder by Agency, its officers, directors, employees, and independent contractors, and/or any negligent omission with respect to such services; (ii)

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any unauthorized warranties made by Agency, its officers, directors, employees, or independent contractors with respect to the Products, whether express or implied; (iii) any breach by Agency, its officers, directors, or employees of its agreements, obligations, representations and warranties hereunder; and (iv) any violation by Agency, its officers, directors, employees, or independent contractors of federal, state or local laws or regulations or other requirements. This Section shall survive termination of the Agreement.

3. Intellectual Property

- a. In no event shall either Party use the name, symbol, trademark, service mark, logo and/or other proprietary designation of the other in any way without the prior written consent of the other Party.
- b. Each Party agrees to submit to the other, for its prior written approval, all materials in connection with the subject matter of this Agreement which name or refer to the other, its products or use its logo, symbol, trademarks, service marks or other proprietary designations.
- c. Upon termination of this Agreement, Company and Agency shall cease to use one another's name, symbol, trademarks, service marks and/or any other proprietary designation in any of their activities in connection with this Agreement and each shall promptly return to the other all internal documents, materials and items furnished in connection with this Agreement, with the exception of records which must be maintained pursuant to law or regulation.

4. Confidentiality: Proprietary Information

- a. In performing its obligations pursuant to this Agreement, each Party may have access and receive certain non-public information about the other and its affiliates including, not limited to, product marketing philosophy, telemarketing design and service, product advantages and disadvantages, financial, demographic and actuarial information, eligibility guidelines, internal policies concerning enrollment, billing and other information and/or proprietary materials which are considered confidential or proprietary to the disclosing Party. This section is not intended to grant the Parties rights to confidential information, but to circumscribe the use that the Parties may make of any information to which they have access. Additionally, Agency and Representatives may have access to or receive confidential information about Enrollees and Policyholders. All such information of members, participants, Policyholders and/or Enrollees shall also be considered to be confidential by Agency and Representatives or individuals assisting the same and governed by applicable state and federal statutory and regulatory rules, guidelines and requirements governing the collection, use, disclosure, access, security and maintenance of consumer health and financial information, as provided under the Gramm-Leach-Bliley Act of 1999, the Health Insurance Portability and Accountability Act of 1996 (HIPAA), Privacy Rules (45 CFR, Parts 160-164), and the applicable federal and state laws implementing the Acts..
- b. Each Party hereto agrees to and shall maintain the confidentiality of all such confidential and/or proprietary information and shall not disclose the same to any third party, except as may be required by law or court order, and shall not use such

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confidential and/or proprietary information for any reason other than the fulfillment of its obligation hereunder, for the term of the Agreement and thereafter. Each Party further agrees to comply with the terms and conditions set forth in the Business Associate Addendum attached hereto as Exhibit A.

- c. Each Party shall retain all ownership rights to its confidential and/or proprietary information.
- d. Each Party recognizes that any breach or violation of this section may result in irreparable harm to the non-breaching party; each Party agrees that, in addition to any and all other remedies available, the non-breaching party shall be entitled to an injunction restraining the breaching party and any related person(s) from violating this section.

5. Notices

- a. Any notice required to be given pursuant to the terms and provisions hereof shall be in writing and shall be sent via overnight courier or certified mail, return receipt requested:
  - i. To Company: National Health Insurance Company, Attn: Agent Licensing, 1515 N. Rivercenter Dr., Suite 135, Milwaukee, WI 53212. Copy to: Vice President and Corporate Counsel, Legal Department.
  - ii. To Agency at the address shown on the signature page.
- b. Notice shall be effective in the case overnight courier, the day delivered; and certified mail, three (3) days after letter is deposited, postage prepaid, in a United States post office depository.

6. Governing Law

This Agreement shall be governed, construed and enforced in accordance with the law of the State of Texas. All disputes arising hereunder shall be venued in Dallas County, Texas. In the event that one or more of the provisions herein shall be invalid, illegal or unenforceable in any respect, the validity, legality and enforcement of the remaining provisions shall not be affected or impaired.

7. Assignment

Company may delegate some of its responsibilities hereunder to its administrative agents. Company reserves the right to assign, delegate, subcontract, or otherwise transfer its rights, obligations and/or interests under this Agreement to a different administrative agent and to Policyholders. Company may also freely assign this Agreement to a related affiliate or lawful successor. Other than the foregoing exceptions, neither Party may assign, delegate, subcontract, or otherwise transfer its rights, obligations and/or interests arising under this Agreement without the prior written consent of the other Party which consent shall not be unreasonably withheld.

8. Waiver and Remedies

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No failure to exercise and no delay in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies provided for herein are cumulative and not exclusive of any rights or remedies provided by law.

10. Relationship as Independent Contractors

It is understood and agreed that the Parties shall have no authority to make a representation, warranty or binding commitment on behalf of the other Party, except expressly provided in this Agreement. Company and Agency are independent contractors contracting with each other for the purpose of effecting the provisions of the Agreement. Neither the relationship of the Parties nor their performance of any obligations under this Agreement shall render the Parties partners or joint venturers. Agency and its Representatives shall be solely responsible for their own debts and obligations, including taxes, and shall not, under any circumstances, hold themselves out to be employees of Company. Agency and Representatives shall not, in any claim against Company, or in any determination of eligibility for statutory benefits, assert that Agency or Representatives are employees of Company. Agency and Representatives acknowledge that each has the responsibility for paying self-employment tax and that Company does not treat either as an employee for Federal tax purposes.

11. Reports and Audits

- a. Agency shall maintain complete and confidential Records of all business obtained on Company's behalf. Such Records shall not be distributed to other insurance carriers or their agents, and shall only be used in the course of transacting the business of insurance for Company. "Records" shall include but not be limited to: all documentation relating to financial arrangements, Compensation, point-of-sale, marketing materials, Agent or Representative contracts, insured information, sales and/or verification call recordings, and any other information relating to the transaction of Agency's business with Company. Agency shall maintain all Records for seven (7) years or, if longer, such period required by applicable law. Additionally, upon providing advance written notice to Agency, Company may audit these materials or may designate an independent consultant to review such Records. All Records used by Agency in the transaction of business under this Agreement shall be delivered to Company upon demand. This provision shall survive the termination of this Agreement.
- b. Each Party shall make available to the other Party upon request, and permit such Party to copy, at its own expense, all relevant files and business records in connection with this Agreement, the Products, and activities undertaken pursuant to this Agreement.

12. Headings

The headings of sections contained in this Agreement are for reference purposes only shall not affect in any way the meaning or interpretation of this Agreement.

13. Entire Agreement, Modification, Waiver, Approval



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This Agreement, and any and all schedules, exhibits or addendums annexed hereto, and applicable Compensation and Product Schedule(s), constitute the entire agreement and understanding between and among the Parties and supersedes all prior agreement and understandings relating to the subject matter of this Agreement.

No modification of this Agreement will bind Company unless it is made in writing and executed by Company. Company shall have the sole right to amend this Agreement and any attachments, exhibits or schedules. All amendments to this Agreement, except amendments to Compensation amounts, shall be in writing and shall become effective thirty (30) days after providing written notice of the amendment to Agency. Amendments to Compensation amounts shall become effective immediately upon notification to Agency by Company.

Notwithstanding the foregoing, if during the term of this Agreement, Company determines that it is advisable to change the services, Compensation, or terms of this Agreement provided hereunder: (i) as a result of newly enacted or changes to applicable laws, regulations, or taxes, or agency rulings or demands; (ii) as a result of changes in interpretations or understandings of applicable laws, regulations, or taxes; (iii) as a result of industry developments or changes in industry standards or practices, or (iv) to conform to Company's business needs or objectives in response to changes set forth in sections (i) through (iii) above, Company shall provide to Agency fifteen (15) days written notice of such changes. It is further agreed that the provisions of this Agreement may be modified or changed immediately upon notice, if they conflict with any federal or state law or ruling of any federal or state agency having jurisdiction over a party. Company specifically reserves the right to modify Compensation on existing and future business, both first year and renewal, in accordance with this Section.

In the event any verbal or written agreements now exist or are entered into in the future between Agency and Program Manager, such agreements shall not be the responsibility of Company unless expressly approved by Company in writing.

9. Dispute Resolution; Equitable Relief

Each Party agrees that, in the event of a dispute or alleged breach, they shall first work together in good faith to resolve the matter internally through negotiations and, if necessary, by escalating it to higher levels of management. The foregoing shall not apply to, and shall not prevent a party from seeking immediate relief in the event of, disputes involving the confidentiality or data protection provisions of this Agreement or infringement of intellectual property rights (in which case either party shall be free to seek available remedies in a court of competent jurisdiction in accordance with the Governing Law Section of this Agreement).

10. Severability

In the event that one or more of the provisions herein shall be invalid, illegal or unenforceable in any respect, the validity, legality and enforcement of the remaining provisions shall not be affected or impaired.

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IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their duly authorized representatives.

**COMPANY:**

**National Health Insurance Company**  
4455 LBJ Freeway  
Suite 375  
Dallas, TX 75244



Signature

Charles W Harris  
President

**AGENCY:**

\_\_\_\_\_  
[Agency Name]

\_\_\_\_\_  
[Address]

\_\_\_\_\_  
[City, State Zip]

\_\_\_\_\_  
Signature

\_\_\_\_\_  
[Name, Title]

\_\_\_\_\_  
Date

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**EXHIBIT A**

**BUSINESS ASSOCIATE ADDENDUM**

THIS BUSINESS ASSOCIATE ADDENDUM (this “**Agreement**”) is entered into as of the Effective Date, by and between National Health Insurance Company, a Texas corporation, with offices located at 4455 LBJ Freeway, Suite 375, Dallas, TX 75244 (the “Covered Entity”) its parent company, affiliates, related entities, and subsidiaries, and Agent (the “**Business Associate**”). Covered Entity and Business Associate are at times referred to herein individually as “**Party**” and collectively as “**Parties**.”

WHEREAS, Covered Entity and Business Associate have an existing relationship under which Covered Entity will make available and/or transfer to Business Associate certain Protected Health Information (defined below), in conjunction with the performance of a function or activity that is being provided by Business Associate to Covered Entity, which is confidential and must be afforded special treatment and protection under the Privacy Rule (defined below) and the Security Rule (defined below), including the amendments to such rules contained in the HITECH Act (defined below).

WHEREAS, Business Associate will create, store, access, receive, maintain, and/or transmit certain Protected Health Information, on behalf of Covered Entity, that can be used or disclosed only in accordance with this Agreement, the Privacy Rule and the Security Rule.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Covered Entity and Business Associate agree as follows:

1. **Definitions.** Terms used, but not otherwise defined, in this Agreement have the same meaning as those ascribed to the terms in the Health Insurance Portability and Accountability Act of 1996 (as amended by the Health Information Technology for Economic and Clinical Health Act, Subtitle D of Title XIII of Division A of the American Recovery and Reinvestment Act of 2009 (the “**HITECH Act**”), and the regulations promulgated thereunder as set forth in the Code of Federal Regulations (“**C.F.R.**”) at Title 45, Part 160, Part 162 and Part 164, and other applicable laws (collectively, “**HIPAA**”). In addition, the following terms shall have the following meanings:

1.1 “**Breach**” means the unauthorized acquisition, access, use or disclosure of Protected Health Information in a manner not permitted by the Privacy Rule which compromises the security or privacy of the Protected Health Information, as described in 45 C.F.R. 164.402.

1.2 “**Business Associate**” shall generally have the same meaning as the term “business associate” at 45 CFR 160.103, and in reference to the party to this agreement, shall mean the entity identified as “Business Associate” above and its affiliates.

1.3 “**Covered Entity**” shall generally have the same meaning as the term “covered entity” as 45 CFR 160.103, and in reference to the party to this agreement shall mean National Health Insurance Company.

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1.4 **“Electronic Health Record”** means an electronic record of health-related information on an individual that is created, gathered, managed, and consulted by authorized health care clinicians and staff.

1.5 **“Electronic Protected Health Information”** shall mean individually identifiable health information that is transmitted or maintained by electronic media as described in HIPAA.

1.6 **“HHS”** shall mean the U.S. Department of Health and Human Services.

1.7 **“Individual”** shall mean the person who is the subject of the Protected Health Information, and has the same meaning as the term “individual” is defined in HIPAA, and shall include a personal representative in accordance with 45 C.F.R. 164.502(g).

1.8 **“Privacy Rule”** shall mean the Standards for Privacy of Individually Identifiable Health Information, C.F.R. at Title 45, Parts 160 and 164.

1.9 **“Protected Health Information”** shall have the same meaning as the term “protected health information” as described in HIPAA, limited to the information created or received by Business Associate from, or on behalf of, Covered Entity.

1.10 **“Required By Law”** shall have the same meaning as the term “required by law” in HIPAA.

1.11 **“Secretary”** shall mean the Secretary of HHS or his or her designee.

1.12 **“Security Incident”** shall have the same meaning as the term “Security incident” as defined in 45 C.F.R. 164.304.

1.13 **“Security Rule”** shall mean the Standards for the Security of Electronic Protected Health Information, C.F.R. at Title 45, Parts 160, 162 and 164.

1.14 **“Unsecured Protected Health Information”** has the same meaning as the term “Unsecured protected health information” as defined in Section 13402 of the HITECH Act and 45 C.F.R. 164.402.

2. **Permitted Uses and Disclosures by Business Associate.**

2.1 **General Uses and Disclosures.** Except as otherwise limited in this Agreement, Business Associate may use or disclose Protected Health Information to perform functions, activities, or services for, or on behalf of, Covered Entity (the **“Services”**), if such use or disclosure by Business Associate complies with the Privacy Rule’s minimum necessary policies and procedures required of Covered Entity (and/or Business Associate), and if such use or disclosure of Protected Health Information would not violate the Privacy Rule or the Security Rule if done by Covered Entity (and/or Business Associate).

2.2 **Limits On Uses And Disclosures.** Business Associate hereby agrees that it shall be prohibited from using or disclosing Protected Health Information that it creates, stores, accesses, receives, maintains, or transmits on behalf of Covered Entity for any

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purpose other than as expressly permitted or required (i) to perform the Services, (ii) by this Agreement or (iii) as Required by Law.

2.3 Disclosure For Management, Administration and Legal Responsibilities. Except as otherwise limited in this Agreement, Business Associate may disclose Protected Health Information for the proper management and administration of Business Associate or to carry out Business Associate's legal responsibilities, provided that:

- i. The disclosure is Required by Law; or
- ii. Business Associate obtains reasonable assurances from the person or entity to whom the Protected Health Information is disclosed that: (i) the Protected Health Information will remain confidential and be used or further disclosed only as Required by Law or for the specific purpose for which it was disclosed to the person, and (ii) they will notify Business Associate within thirty (30) days of the date of any Breach with respect to Unsecured Protected Health Information (or any other Security Incident or Breach with respect to Protected Health Information) received from Business Associate.

2.4 Data Aggregation Services. Except as otherwise limited in this Agreement, Business Associate may use Protected Health Information to provide "Data Aggregation Services" (as defined by 45 C.F.R. 164.501) relating to the operations of the Covered Entity as permitted by 42 C.F.R. 164.504(e)(2)(i)(B).

3. **Prohibited Uses and Disclosures.** Business Associate shall not:

- i. Make or cause to be made any marketing communication about a product or service that is prohibited by Section 13406(a) of the HITECH Act;
- ii. Make or cause to be made any written fundraising communication that is prohibited by Section 13406(b) of the HITECH Act;
- iii. Disclose Protected Health Information to a health plan for payment or health care operations (as defined under the Privacy Rule) purposes if Covered Entity has advised Business Associate (or the Individual has notified Business Associate directly) that the Individual, or someone other than the health plan on behalf of the Individual, has (i) requested this special restriction, and (ii) paid out-of-pocket in full for the health care item or service to which the Protected Health Information solely relates, in accordance with Section 13405(a) of the HITECH Act; or
- iv. Directly or indirectly receive remuneration in exchange for Protected Health Information created, stored, accessed, received, maintained, or transmitted in connection with Business Associate's relationship with Covered Entity in accordance with Section 13405(d) of the HITECH Act, except as otherwise permitted by the HITECH Act; provided, however, that this prohibition shall not affect payment by Covered Entity to Business Associate.

4. **Business Associate Obligations.**

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4.1 Appropriate Safeguards. Business Associate will establish and maintain reasonable and appropriate administrative, physical and technical safeguards to:

- i. Prevent the use or disclosure of the Protected Health Information, other than as such use or disclosure is permitted by this Agreement or to perform the Services; and
- ii. Protect the confidentiality, integrity, and availability of the Electronic Protected Health Information that Business Associate creates, stores, accesses, receives, maintains, or transmits on behalf of Covered Entity.

4.2 Security Rule. Business Associate shall comply with the applicable policies and procedures and documentation requirements of the Security Rule set forth in 45 C.F.R. 164.308, 45 C.F.R 164.310, 45 C.F.R 164.312 and 45 C.F.R 164.316 as required by Section 13401(a) of the HITECH Act.

4.3 Reports of Improper Use, Disclosure or Security Incidents. Business Associate hereby agrees that it shall report to Covered Entity, in a reasonable time and manner, any:

- i. Use or disclosure of Protected Health Information not provided for or allowed by this Agreement; and
- ii. Security Incidents that Business Associate becomes aware of that involve the Electronic Protected Health Information covered under this Agreement.

4.4 Subcontractors and Agents. Business Associate will:

- i. Ensure that any agents and subcontractors to whom Business Associate provides Protected Health Information that Business Associate has created, stored, accessed, received, maintained, or transmitted on behalf of Covered Entity, agree to the same restrictions and conditions that apply to Business Associate in this Agreement; and
- ii. Notify Covered Entity in writing of any such agents and subcontractors to whom Business Associate discloses or otherwise provides such Protected Health Information.

4.5 Right of Access to Protected Health Information. Except as otherwise limited in this Agreement, Business Associate hereby agrees to provide, in a reasonable time and manner, access to Protected Health Information in a Designated Record Set (if applicable and as defined in HIPAA) to Covered Entity or, as directed by Covered Entity, to an Individual or Individual's designee in order to meet the requirements under 45 C.F.R. 164.524, at the written request of Covered Entity. If Business Associate maintains an Electronic Health Record, Business Associate shall provide such information in electronic format to enable Covered Entity to fulfill Covered Entity's obligations under the HITECH Act.

4.6 Amendments to Protected Health Information. Business Associate agrees to make any amendment(s) to Protected Health Information in a Designated Record Set, if applicable, that Covered Entity directs or agrees to pursuant to 45 C.F.R. 164.526, at the request of Covered Entity or an Individual, and in a reasonable time and manner. If any

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Individual requests an amendment of Protected Health Information directly from Business Associate (or Business Associate's subcontractors or agents), Business Associate will notify Covered Entity immediately following the request. Any approval or denial of amendment of Protected Health Information maintained by Business Associate (or Business Associate's subcontractors or agents) shall be the responsibility of Covered Entity.

4.7 Access to Books and Records. Except as otherwise limited in this Agreement, Business Associate agrees to make its internal policies, procedures, practices, books and records relating to the use, disclosure and safeguarding of Protected Health Information created, stored, accessed, received, maintained, or transmitted by Business Associate on behalf of Covered Entity, available to the Secretary or Covered Entity, in a reasonable time and manner, for purposes of the Secretary's determining Covered Entity's compliance with the Privacy Rule and the Security Rule.

4.8 Documentation of Disclosures. Business Associate agrees to document such disclosures of Protected Health Information and information related to such disclosures as would be required for Covered Entity to respond to a request by an Individual for an accounting of disclosures of Protected Health Information in accordance with 45 C.F.R. 164.528.

4.9 Provide Accounting of Disclosures. Except as otherwise limited in this Agreement, Business Associate agrees to provide to Covered Entity or an Individual, in a reasonable time and manner, information collected in accordance with Section 4.8 of this Agreement, to permit Covered Entity to respond to a request by an Individual for an accounting of disclosures of Protected Health Information in accordance with 45 C.F.R. 164.528 and, if applicable, Section 13405(c) of the HITECH Act. In the event that the request for an accounting is delivered directly to Business Associate (or Business Associate's subcontractors or agents), Business Associate shall forward a copy of the request to Covered Entity immediately. It shall be Covered Entity's responsibility to prepare and deliver any such accounting requested.

4.10 Mitigation Procedures. Business Associate agrees to mitigate, to the extent commercially reasonable, any harmful effect that is known to Business Associate of a use or disclosure of Protected Health Information by Business Associate in violation of the requirements of this Agreement.

4.11 Notification of Breach. Except as otherwise provided under the HITECH Act, Business Associate agrees to notify Covered Entity immediately following the date of discovery of a Breach of Unsecured Protected Health Information as follows:

i. A Breach shall be deemed discovered by Business Associate when Business Associate actually knows of the Breach or, by exercising reasonable diligence, would have known of the Breach; and

ii. The notification required by this Section 4.11 shall be made in accordance with Section 14 and shall include, to the extent possible, (i) the identification of each Individual whose Unsecured Protected Health Information has been, or is reasonably believed by Business Associate to have been, accessed, acquired, used, or disclosed during the Breach, (ii) a brief description of what happened, including the date of the Breach and the

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date of the Business Associate's discovery of the Breach, if known, (iii) a description of the types of Unsecured Protected Health Information involved in the Breach, (iv) any steps affected Individuals should take to protect themselves from potential harm resulting from the Breach, (v) a brief description of what Business Associate is doing to investigate the Breach, to mitigate harm to Individuals, and to protect against further Breaches, and (vi) contact procedures for affected Individuals, which shall include a toll-free telephone number, an e-mail address, web site, or postal address

**5. Covered Entity Obligations.**

5.1 Provide Notice. Covered Entity shall provide Business Associate with the Notice of Privacy Practices that Covered Entity produces in accordance with 45 C.F.R. 164.520, as well as any changes to such notice, in a reasonable time and manner, when such copy of the notice or amended notice is required for compliance with the Privacy Rule.

5.2 Obtain Authorization. Covered Entity shall obtain any consent or authorization from Individuals that may be required by applicable federal or state laws and regulations prior to furnishing Business Associate the Protected Health Information.

5.3 Provide Changes of Authorization or Permission. Covered Entity shall provide, in writing and in a reasonable time and manner, Business Associate with any changes in, or revocation of, authorization or permission by an Individual to use or disclose Protected Health Information, if such changes affect Business Associate's permitted or required uses and disclosures.

5.4 Provide Restrictions. Covered Entity shall notify Business Associate, in writing and in a reasonable time and manner, of any restrictions to the use or disclosure of Protected Health Information changing Business Associate's obligations that Covered Entity has agreed to in accordance with 45 C.F.R. 164.522.

5.5 Permissible Requests by Covered Entity. Covered Entity shall not request that Business Associate use or disclose Protected Health Information in any manner that would not be permissible under the Privacy Rule, the Security Rule or this Agreement if done by Covered Entity.

6. **Term.** The term of this Agreement shall commence as of the Effective Date, and shall terminate when all of the Protected Health Information provided by Covered Entity to Business Associate, or created or received by Business Associate on behalf of Covered Entity, is destroyed or returned to Covered Entity in compliance with Section 9 of this Agreement.

**7. Termination for Cause.**

7.1 By Covered Entity. In accordance with Section 13404 of the HITECH Act, if Covered Entity knows of a pattern of activity or practice of Business Associate that constitutes a material breach or violation of Business Associate's obligations under this Agreement, Covered Entity shall provide written notice of such breach to Business Associate and provide an opportunity for Business Associate to cure the breach or end the violation within 30 business days from the date Business Associate receives the written notice from Covered Entity. If Business Associate does not cure the breach or end the violation within the



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stated cure period, Covered Entity may immediately terminate this Agreement and the underlying services agreement. In addition, Covered Entity may terminate this Agreement immediately without opportunity for cure if Covered Entity and Business Associate agree that cure is not reasonably possible or if Covered Entity deems such immediate termination to be appropriate under the circumstances.

7.2 By Business Associate. In accordance with Section 13404 of the HITECH Act, if Business Associate knows of a pattern of activity or practice of Covered Entity that constitutes a material breach or violation of Covered Entity's obligations under this Agreement, Business Associate shall provide written notice of such breach to Covered Entity and provide an opportunity for Covered Entity to cure the breach or end the violation within 30 business days from the date Covered Entity receives the written notice from Business Associate. If Covered Entity does not cure the breach or end the violation within the stated cure period, Business Associate may immediately terminate this Agreement and the underlying services agreement. In addition, Business Associate may terminate this Agreement immediately without opportunity for cure if Business Associate and Covered Entity agree that cure is not reasonably possible or if Business Associate deems such immediate termination to be appropriate under the circumstances.

8. Special Termination. In the event that any federal, state or local law or regulation currently existing or hereinafter enacted, or any final or non-appealable construction or interpretation of such law or regulation (whether federal, state or local) or enforcement of such laws or regulations hereinafter occurs that makes performance of this Agreement impossible or illegal, the Parties mutually agree to enter into a modification of this Agreement to make substantial performance of this Agreement possible. However, should the Parties be unable to agree upon an appropriate modification to comply with such requirements following thirty (30) days of good faith negotiations, either Party may give written notice to immediately terminate this Agreement and, in such event, Business Associate shall discontinue services for Covered Entity.

9. Effect of Termination.

9.1 Return of Protected Health Information. Except as otherwise limited in this Agreement, and except as provided in Section 9.2 of this Agreement, upon termination of this Agreement for any reason, Business Associate hereby agrees to return all Protected Health Information received from Covered Entity or created or received by Business Associate on behalf of Covered Entity or destroy such Protected Health Information. This provision shall apply to Protected Health Information that is in the possession of subcontractors or agents of Business Associate. Business Associate shall retain no copies of the Protected Health Information, except as permitted by Section 9.2 of this Agreement.

9.2 Retention of Protected Health Information. Except as otherwise limited in this Agreement, in the event that Business Associate determines that returning or destroying the Protected Health Information in accordance with Section 9.1 of this Agreement is not feasible, Business Associate shall provide to Covered Entity notification of the conditions that make return or destruction of the Protected Health Information not feasible and shall extend the protections of this Agreement to such Protected Health Information and limit further uses and disclosures of such Protected Health Information to those purposes that make the return

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or destruction not feasible, for as long as Business Associate maintains such Protected Health Information.

10. **Indemnification.**

10.1 **Indemnification by Covered Entity.** Except as otherwise limited in this Agreement, the parties agree that they shall mutually indemnify and hold harmless each other against any claims, liabilities, damages, and expenses, including reasonable attorneys' fees, incurred in defending or compromising actions brought against them arising out of or related to their or their employees' acts or omissions in connection with their negligent or fraudulent performance of their applicable duties under this Agreement. This indemnity shall be in proportion to the amount of responsibility found attributable to indemnifying party.

11. **Survival of Obligations.** Except as otherwise limited in this Agreement, termination of this Agreement shall not relieve either Party from fulfilling any obligation under this Agreement, including but not limited to, Sections 9 and 10 hereof, or any other agreement between the Parties that, at the time of termination, has already accrued to the other Party or which thereafter may accrue with respect to any act or omission that occurred prior to such termination.

12. **Governing Law; Venue.** This Agreement shall be governed by, and interpreted and construed in accordance with, the laws of the State of Texas, without reference to the conflict of laws principles of any jurisdiction. The parties hereby agree that if any permitted suit, action or proceeding is brought in connection with this Agreement, venue for such suit, action or proceeding shall be in, and such suit, action or proceeding must be brought in, a federal or state court of competent jurisdiction located in Dallas County, Texas, and each party submits to the jurisdiction of such court for the purpose of any such suit, action or proceeding. Each party irrevocably waives any defense, challenge or objection which it may now or hereafter have to the laying of venue of any permitted suit, action or proceeding arising out of or relating to this Agreement brought in a federal or state court of competent jurisdiction located in Dallas County, Texas, and hereby waives any claim that any such suit, action or proceeding brought in such court has been brought in any inconvenient forum or that such court lacks personal jurisdiction.

13. **Binding Nature and Assignment.** This Agreement shall be binding on the Parties hereto and their successors and assigns, but neither Party may assign this Agreement without the prior written consent of the other, which consent shall not be unreasonably withheld.

14. **Notices.**

All notices and other communications hereunder shall be in writing and shall be deemed given if delivered in person, by an overnight express delivery service (e.g., Federal Express) or by registered or certified mail (postage prepaid, return receipt requested) to the other party at the following addresses (or at such other address for a party as shall be specified by like notice; provided that notices of a change of address shall be effective only upon receipt thereof):

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If to Covered Entity:

National Health Insurance Company  
4455 LBJ Freeway  
Suite 375  
Dallas, TX 75244  
Attn: Charles W. Harris

If to Business Associate:

Any notice or other communication pursuant to this Agreement shall be deemed to have been duly given or made and to have become effective upon the earliest of (a) when delivered in hand to the party to which directed, (b) if sent by first-class mail postage prepaid and properly addressed as set forth above, at the time when received by the addressee, and receipt has been confirmed, (c) if sent by overnight express delivery service, the next succeeding day after being sent, provided that receipt has been acknowledged by such service, or (d) with respect to delivery by certified mail, return receipt requested, when delivery thereof, properly addressed as set forth above, is made by the U.S. Postal Service.

15. **Cooperation.** Both Business Associate and Covered Entity acknowledge that mutual cooperation and assistance is essential to each Party's performance under this Agreement; therefore, it will be the duty of both Parties to make all good faith efforts to fully cooperate in the execution of this Agreement.

16. **Headings.** The headings of this Agreement are inserted for convenience only and are not to be considered in the interpretation of this Agreement. They shall not in any way limit the scope or modify the substance or context of any sections of this Agreement.

17. **Force Majeure.** Neither Party shall be liable or be deemed in breach of this Agreement for any failure or delay of performance that results, directly or indirectly, from acts of God, civil or military authority, public disturbance, accidents, fires, or any other cause beyond the reasonable control of either Party, and such nonperformance shall not be grounds for termination.

18. **Attorney's Fees.** Except as otherwise limited in this Agreement, if any legal action or other proceeding is brought for the enforcement of this Agreement, or because of an alleged dispute, breach, default, misrepresentation, or injunctive action, in connection with any of the provisions of this Agreement, each Party shall bear their own legal expenses and the other costs incurred in that action or proceeding.

19. **Regulatory References.** A reference in this Agreement to a section in the Privacy Rule and/or the Security Rule means the section as in effect or as amended, and for which compliance is required.

20. **Third Party Beneficiaries.** Nothing express or implied in this Agreement is intended to confer, nor shall anything herein confer, upon any person or entity other than the

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Parties and the respective successors or assigns of the Parties, any rights, remedies, obligations or liabilities whatsoever.

21. **Counterparts.** This Agreement may be executed in two or more counterparts, each of which alone and all of which together shall constitute one and the same instrument. The signature of a Party set forth on a counterpart hereof and transmitted by facsimile or other electronic transmission (including by email in portable document format (pdf) to the other parties shall be of the same force and effect as if the executing Party had delivered a counterpart bearing an original signature.

22. **Severability.** If any provision of this Agreement is held to be illegal, invalid or unenforceable under any present or future law, rule or regulation, such provision shall be fully severable and this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part hereof. The remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance here from. Furthermore, in lieu of such illegal, invalid or unenforceable provision, there shall be added automatically as a part of this Agreement a legal, valid and enforceable provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible.

23. **Waivers.** The failure of a Party at any time or times to require performance of any provision of this Agreement shall in no manner affect such Party's right at a later time to enforce such provision. No waiver by a Party of any provision or breach of this Agreement shall be effective unless in writing, and no waiver in any one or more instances shall be deemed to be a further or continuing waiver in other any instance.

24. **Relationship.** Business Associate is acting as an independent contractor of Covered Entity with respect to this Agreement. Nothing in this Agreement shall create or be deemed to create the relationship of employer/employee, partners, joint ventures, or principal-agent between the Parties.

25. **Amendment.** Except as otherwise limited in this Agreement, the Parties agree to take such action as is necessary to amend this Agreement from time to time as is necessary for the Parties to comply with the requirements of the Privacy Rule, the Security Rule, HIPAA and the HITECH Act. No changes in or additions to this Agreement shall be recognized unless incorporated herein by written amendment by the Parties, such amendment(s) to become effective on the date stipulated in such amendment(s). No discharge of obligations arising under this Agreement shall be valid unless in writing and executed by the Party against whom such discharge is sought to be enforced.

26. **Interpretation.** Any ambiguity in this Agreement shall be resolved in favor of a meaning that permits the Parties to comply with the Privacy Rule and the Security Rule.

**NATIONAL HEALTH INSURANCE COMPANY**  
**AGENT AGREEMENT**

THIS AGREEMENT is made and entered into as of \_\_\_\_\_ (“Effective Date”) by and between NATIONAL HEALTH INSURANCE COMPANY, and its Associated Organizations, with main offices located at 4455 LBJ Freeway, Suite 375, Dallas, TX 75244, hereinafter called “Company” and

(Agent) \_\_\_\_\_ primarily located in

(city/state) \_\_\_\_\_ hereinafter called “Agent.”

Company and Agent may hereafter be referred to individually as a “Party” and collectively as the “Parties.”

**WITNESSETH**

WHEREAS, Company is a licensed life, accident and health insurer; and

WHEREAS, Agent is licensed by the State Departments of Insurance in the states where Agent conducts business as a life (if applicable) and accident and health insurance agent, engaged in the business of selling, marketing and servicing insurance policies; and

WHEREAS, Company desires to engage the services of Agent in the distribution of the Products by providing sales and marketing services as more fully set forth in this Agreement; and

WHEREAS, Company has or will soon hereafter appoint Agent; and

WHEREAS, Agent desires to accept the engagement and the appointment by Company to provide such services in connection with the Products.

NOW THEREFORE, for and in consideration of these premises and of the mutual covenants and agreements hereinafter set forth, the Parties hereto agree as follows:

**I. DEFINITIONS**

“Associated Organizations” means Integon National Insurance Company, American Heritage Life Insurance Company and Integon Indemnity Corporation.

“Compensation” means any and all amounts paid to Agent by Company (or Program Manager, where applicable) in accordance with this Agreement, including but not limited to marketing fees and commission payments.

“Policyholder” means: a) for Group Business, any employer, association union or other lawfully recognized group that has entered into a master policy agreement for the benefit of its employees or members or participants (“Enrollees”); or b) for Individual Business, the certificate holder with “Enrollees” denoting covered family members.

“Master Policy” means the agreement between a Policyholder and the Company pursuant to which the Policyholder offers insurance benefits to Enrollees.

# NATIONAL HEALTH INSURANCE COMPANY

## AGENT AGREEMENT

"Products" (capital "P") means the various accident, life, medical, dental benefit plans, Programs or other benefit plans or services that are, or may be, offered by the Company to Policyholders pursuant to which Policyholders will provide insurance benefits to its Enrollees. The term "products" (lower case "p") refers to good or services not offered by the Company.

"Program" means the combination of insurance and non-insurance products, good and/or services offered by Company and/or Agent to Policyholders for the benefit of Enrollees. A Program may include Company's Products and/or other products not offered by the Company.

## II. REPRESENTATIONS AND WARRANTIES

### A. Representations and Warranties of Agent

Agent hereby represents and warrants to Company:

1. There is no restriction or limitation, by reason of any law, regulation, contract, agreement or otherwise, upon Agent's right or ability to enter into this Agreement or to fulfill Agent's obligations hereunder.
2. Agent will comply with all applicable statutory and regulatory requirements pertaining to the business of insurance and the sale thereof, including but without limitation, maintaining, at all times during which this Agreement is in effect, all licenses, certificates and permits required by any state in which Agent performs services for, or on behalf of Company, as well as all other applicable State and Federal statutory and regulatory requirements, including but not limited to HIPAA (defined below). Agent shall immediately notify Company of any loss or suspension of any Agent license related to the sale of insurance. Agent shall immediately on learning thereof, notify Company of any criminal, civil or administrative action involving Agent. Agent acknowledges that it is Agent's responsibility to know and comply with the current and future laws or regulations of the states (resident or non-resident) in which Agent operates.
3. Agent shall conduct all sales activities and telemarketing campaigns in accordance with applicable laws and regulations. Without limiting the foregoing in any way, Agent further represents and warrants that it shall, in all respects and at all times, maintain strict compliance with the requirements of the Controlling the Assault of Non-Solicited Pornography and Marketing Act of 2003 (CAN-SPAM), the Telemarketing and Consumer Fraud and Abuse Prevention Act (TCFAPA), the Telephone Consumer Protection Act of 1991 (TCPA) and the Federal Trade Commission's Telemarketing Sales Rule (TSR), all as may be amended in the future, and specifically (by way of example and not limitation) those provisions pertaining to obtaining express consent from consumers to call their mobile phone numbers and to call them utilizing an automatic telephone dialing system. Agent further agrees to provide proofs of customers' express consents as may be required by Company in its sole discretion and to allow Company to audit Agent's policies, procedures and actual practices (including, without limitation, on site observation of Agent's operations) in order to verify compliance with this provision and applicable law. Failure to cooperate with Company requests under this section, or if a review or audit should determine less than 100% compliance with CAN-SPAM, the TCFAPA, TCPA, TSR or other applicable law, may

## NATIONAL HEALTH INSURANCE COMPANY

### AGENT AGREEMENT

result, in Company's sole discretion, in immediate termination of this Agreement without any further liability or obligation on the part of Company whatsoever. In the event a consumer who is contacted by Agent on behalf of Company indicates that he or she does not wish to receive any further telemarketing calls from or on behalf of Company, Agent shall take such necessary steps to ensure that said consumer is not contacted again by Agent on behalf Company and Agent shall communicate said consumer's desire in a manner mutually determined by the parties within 48 hours of the consumer's request.

4. Agent has never suffered any loss, suspension or termination of any license issued by a federal, state or local government authority in connection with the sale of any type of insurance; and Agent has never suffered suspension or termination of the right to represent an insurance company for cause other than normal expiration of an agreement. In the event Agent has suffered any loss, suspension or termination as noted herein, Agent shall disclose any such incidents to Company, and Company shall in its sole discretion approve or deny Agency's request for appointment or re- appointment. Otherwise, Agent shall notify Company immediately if Agent suffers termination, suspension or expiration of its license to engage in the sale and/or servicing of health insurance policies within any state where it is currently conducting business and/or any other information which may affect Agent's compliance with this Agreement.

#### B. Representations and Warranties of Company

Company hereby represents and warrants to Agent:

1. There is no restriction or limitation, by reason of any law, regulation, contract, agreement or otherwise, upon Company's right or ability to enter into this Agreement orto fulfill its obligations hereunder.
2. Company is in compliance with and will continue to comply with all applicable statutory and regulatory requirements related to its business, including but without limitation, licenses, certificates and permits required by those states where it is authorized to provide insurance.

### III. DUTIES OF THE AGENT

- A. Agent shall comply with the approved protocols of Company regarding the appropriate use of Company materials while selling Company Products. Agent shall conduct business in accordance with the insurance laws, regulations and other authoritative guidance of each state and Company's rules and requirements now in effect and as they may be revised from time to time.
- B. As applicable per the approved protocols of Company, Agent shall ensure that enrollment applications are completed accurately, deliver policies promptly on receipt and make every reasonable effort to maintain in force all policies of Company and shall render all reasonable assistance in connection therewith. Agent shall promptly make available to Company any and all information which comes into Agent's possession concerning the underwriting of a risk.

## NATIONAL HEALTH INSURANCE COMPANY

### AGENT AGREEMENT

- C. Agent shall not incur any liability or expense for Company unless expressly authorized to do so.
- D. All products included in a Program which are provided by Agent to a Policyholder but are not Company Products shall be the sole responsibility of Agent. Agent hereby agrees to indemnify and hold harmless Company, its administrative agents, Policyholders, their affiliated companies and agents and their respective officers, directors and employees from any and all claims, suits, demands, liabilities, costs, damages and expenses of any kind or nature, including reasonable attorneys' fees, that are determined in a final adjudication as arising out of or related in any way to products which are not Company Products. This provision shall survive the termination of this Agreement.
- E. Agent shall participate in Product training conducted directly with Company or Program Manager (where applicable and authorized by the Company). Agent agrees to remain fully familiar with the Products and the approved protocols of Company.
- F. Agent shall, comply with all of the Company's rules and/or regulations and/or requirements in existence as of the Effective Date and as may be modified by the Company from time to time.
- G. Agent agrees to produce new sales on a regular basis for Company. Company shall have the sole right to determine the volume, measure and time period of production needed to maintain this Agreement or authorization to sell a specific Product. If Compensation payments to Agent fall below \$650 in any consecutive 12 month period, then Company shall have the right to discontinue paying Compensation otherwise owed to Agent and/or terminate this Agreement effective immediately upon notice to Agent by Company.
- H. Agent acknowledges and agrees that Agent has no authority to offer a Master Policy to any Plan Sponsor on behalf of Company.
- I. Agent acknowledges and agrees that Agent has no authority to sign any contract, nor make any binding obligation, on behalf of Company.
- J. Agent acknowledges and agrees that Agent shall not directly or indirectly solicit, market or sell Company's Products in any state in which Company is not licensed to sell and/or market insurance. Company will provide a list of any such states, and any updates to such list, to Agent upon request.
- K. Monies received on behalf of Company by Agent for premiums (or premium equivalent if applicable), by reason of this Agreement, shall belong solely and exclusively to Company and shall be collected only with prior approval of Company and subject to the procedures of each relating thereto. If Company authorizes Agent to collect and hold premiums, such monies shall be received and held by Agent in a fiduciary capacity which shall be deemed in trust for Company, and shall be paid over in full to Company as and when directed.
- L. Agent shall be responsible to and shall indemnify Company for the acts and/or omissions of Agent or individuals assisting Agent.
- M. Any and all marketing materials, including solicitation letters, brochures, magazines or news articles concerning the Products prepared by Agent shall be approved in writing by



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Company before such materials are distributed. Unless agreed to by the Parties, the costs of preparation and distribution of such materials shall be borne by the Party preparing them.

- N. All printed materials, applications, sales literature and other written or electronic material which Company may furnish Agent shall remain the property of Company, subject at all times to its control, and Agent shall return or destroy all such materials to Company immediately upon the termination of this Agreement or upon Company's request. Agent shall at all times adhere to Company's procedures with respect to the use of salesmaterials.
- O. Agent shall not make any representations with respect to the Products except as may be contained in the materials approved and furnished by Company. Agent shall make no oral or written alteration, modification or waiver of any of the terms or conditions applicable to the Products.
- P. Company and Policyholders shall not be liable in any manner for any Compensation, expenses, costs or damages resulting from their failure or refusal to accept a potential Policyholder solicited by Agent irrespective of the reason or cause for such failure or refusal.
- Q. Agent shall immediately and promptly notify Company of any change in the mailing address, phone number, or other pertinent contact information for Agent.
- R. Agent shall promptly report any and all complaints or inquiries from regulatory agencies directly to Company and shall fully cooperate and support the investigations and response to said complaints or inquiries. Further, Agent agrees to collect and report all formal customer complaints (complaints that are in writing and/or appeals), irrespective of if such complaints require action by Company. Agent shall provide data noting the complainant, date received, date closed, narrative on the issue, final disposition of the complaint and root cause/summary of the complaint. Such data shall be provided to Company upon request. Agent shall also cooperate with Company regarding its investigation of any complaint received with regard to Agent.
- S. Agent shall maintain errors and omissions insurance with a carrier rated A- or better by AM Best during the term of this Agreement in an amount reasonably required by Company, but in no event less than one million (\$1,000,000) dollars per occurrence and two million dollars (\$2,000,000) in the aggregate. Agent shall notify Company within one business day of any reduction, modification, cancellation or termination of such coverage. Agent agrees to maintain errors and omissions insurance for the sale of all Products offered by the Company.
- T. Upon request by Company, Agent shall be responsible for reimbursing Company for all applicable state appointment fees paid by Company with respect to Agent, and all processing fees charged in connection with such appointments.

#### IV. COMPENSATION

- A. While this Agreement is in force, Agent will be paid based on the amount of premium (or where applicable, premium equivalent) received by Company on Products issued from

## NATIONAL HEALTH INSURANCE COMPANY

### AGENT AGREEMENT

applications for such submitted by Agent for Products Agent is authorized to sell. Compensation will be payable only on Products maintained in-force.

- B. Unless subject to Section IV.C below, Agent shall be paid directly by the Agency or Program Manager, as determined by their agreed process. Agent acknowledges and agrees that Company, its administrative agent and Policyholders shall have no liability whatsoever to Agent with respect to Compensation paid or payable to Agent by Agency or Program Manager.
- C. In the event Compensation is paid directly to Agent by Company:
  - 1. Company will pay Agent in accordance with the applicable Compensation and Product Schedules as full Compensation for services and expenses, which shall be incorporated in the Agreement. Such Compensation is deemed to be Agent's "Base Compensation." Company reserves the right to revise the Compensation and Product Schedules as Company deems appropriate.
  - 2. Compensation payable under this Agreement, or any other agreement with Company shall be offset to repay any indebtedness or claims now due, or which may become due at any time, from Agent to Company. Company shall have a first lien on all Compensation as security for payment of any and all such debts or claims, whether arising hereunder or otherwise, and Company shall have the right, without any requirement that Company first obtain Agent's consent or give Agent notice, to deduct any monies so due from such Compensation. This lien shall not be extinguished by termination of this Agreement and shall be binding on Agent and Agent's executors, administrators, or assigns. All monies and indebtedness due Company shall be payable immediately upon demand, together with the legal rate of interest and any administrative costs of collection including attorney's fees and expenses.
  - 3. Upon receipt of Compensation, Agent, if not satisfied as to its correctness, must notify Company in writing of any discrepancy within one hundred eighty (180) days from the date Compensation is received or Agent shall be deemed to have admitted its accuracy and correctness.

## V. GENERAL PROVISIONS

### A. Term and Termination

- 1. Term. The term of this Agreement shall be for one (1) year, commencing on the date first set forth above. Unless sooner terminated in accordance with the provisions set forth below, this Agreement shall automatically renew for successive one-year term(s).
- 2. Termination. This Agreement may be terminated:
  - a) Without cause by either party at any time for any reason by delivering written notice to the other party at least thirty (30) days prior to the effective date of such termination. After the effective date of termination, Agent shall be precluded from marketing new or renewal business on behalf of Company and shall return to Company any and all documents furnished to Agent by Company.

## NATIONAL HEALTH INSURANCE COMPANY

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- b) For cause by Company effective immediately with written notice, with termination effective on the date of mailing, for the following causes:
- (1) upon the discovery of any fraudulent or material misrepresentation of Agent or any of Agent's staff; or
  - (2) upon the termination, revocation, suspension and/or limitation of any required insurance related license, permit or approval in any state in which it is marketing and/or selling and/or servicing Company's Products, in which case Agent's ability to provide services under this Agreement in that particular state is terminated until such license, permit or approval is once again in effect; or
  - (3) upon accounting irregularities as adjudged solely by Company; or
  - (4) if Agent becomes subject to a regulatory investigation of any nature, unless Company is satisfied with the outcome of such investigation; or
  - (5) upon the commitment of any gross negligence or reckless misconduct by Agent in connection with this Agreement as determined solely by Company; or
  - (6) upon a change of ownership and control of Agent or a merger of Agent with any other entity, unless Company consents in writing to such change or merger; or
  - (7) Agent induces or attempts to induce a Policyholder or Enrollee to give up coverage or replace a Master Policy with one issued by another company, unless such change is clearly in the best interest of the Policyholder or Enrollee, as determined solely by Company; or
  - (8) Agent refuses to sign a HIPAA Business Associate Agreement.
- c) By either Party on thirty (30) days written notice upon the failure of either Party to comply with any material term, condition or obligation of this Agreement and the failure of such Party to undertake substantial efforts to remedy the default within fifteen (15) days after the non-defaulting Party shall have given written notice thereof to the non-performing Party, or such other longer period of time as in the opinion of the non-defaulting Party shall be reasonable under the circumstances;
3. Termination of this Agreement shall in no way affect the terms and conditions of any Master Policy or other agreement with a Policyholder issued by Company or by the Agent on Company's behalf during the term of this Agreement.
  4. Neither Party shall incur any liability to the other by reason of the expiration or termination of this Agreement or its non-renewal, provided, however, that the termination of this Agreement for any reason shall not terminate any rights, obligations or liabilities which either Party may accrue prior to such termination which, under the terms of this Agreement, continue after such termination,
  5. At Company's request, after termination, Agent agrees to continue to provide reasonable account support services to Company until such time as Company, or its

## NATIONAL HEALTH INSURANCE COMPANY

### AGENT AGREEMENT

designee, assumes the account support services responsibilities. Agent further agrees that it shall reasonably cooperate with Company to ensure an orderly transition of marketing and account support services to Company or its designee.

6. In the event this Agreement is terminated by Company pursuant to the aforementioned Section 2b, Company reserves the right to discontinue paying any Compensation or other amounts due pursuant to this Agreement.

#### B. Indemnification

Agent shall indemnify, defend and hold Company, its administrative agent and their directors, officers, employees, agents and affiliated companies harmless from and against any and all claims, suits, demands, liabilities, costs, damages and expenses whatsoever, including reasonable attorney's fees, arising from or related in any way to: (i) any and all services negligently rendered or omitted hereunder by Agent, individuals assisting Agent, or individuals acting on behalf of Agent; (ii) any unauthorized warranties made by Agent, individuals assisting Agent, or individuals acting on behalf of Agent with respect to the Products, whether express or implied; (iii) any breach of the agreements, obligations, representations and warranties hereunder by Agent, individuals assisting Agent, or individuals acting on behalf of Agent; and (iv) any violation of federal, state or local laws or regulations or other requirements by Agent, individuals assisting Agent, or individuals acting on behalf of Agent.

This Section shall survive termination of the Agreement.

#### C. Intellectual Property

1. In no event shall either Party use the name, symbol, trademark, service mark, logo and other proprietary designation of the other in any way without the prior written consent of the other Party.
2. Each Party agrees to submit to the other, for its prior written approval, all materials in connection with the subject matter of this Agreement which name or refer to the other, its products or use its logo, symbol, trademarks, service marks or other proprietary designations.
3. Upon termination of this Agreement, Company and Agent shall cease to use one another's name, symbol, trademarks, service marks and/or any other proprietary designation in any of their activities in connection with this Agreement and each shall promptly return to the other all internal documents, materials and items furnished in connection with this Agreement, with the exception of records which must be maintained pursuant to law or regulation.

#### D. Confidentiality: Proprietary Information

1. In performing its obligations pursuant to this Agreement, each Party may have access and receive certain non-public information about the other and its affiliates including, not limited to, product marketing philosophy, telemarketing design and service, product advantages and disadvantages, financial, demographic and actuarial information, eligibility guidelines, internal policies concerning enrollment, billing and other

## NATIONAL HEALTH INSURANCE COMPANY

### AGENT AGREEMENT

information and/or proprietary materials which are considered confidential or proprietary to the disclosing Party. This section is not intended to grant the parties rights to confidential information, but to circumscribe the use that the parties may make of any information to which they have access. Agent may have access to or receive confidential information about members, participants, Policyholders and/or Enrollees. All such information of members, participants, Policyholders and/or Enrollees shall also be considered to be confidential by Agent or individuals assisting Agent and governed by applicable state and federal statutory and regulatory rules, guidelines and requirements governing the collection, use, disclosure, access, security and maintenance of consumer health and financial information, as provided under the Gramm-Leach-Bliley Act of 1999, the Health Insurance Portability and Accountability Act of 1996 (HIPAA), Privacy Rules (45 CFR, Parts 160-164), and the applicable federal and state laws implementing the Acts.

2. Each Party hereto agrees to and shall maintain the confidentiality of all such confidential and/or proprietary information and shall not disclose the same to any third party, except as may be required by law or court order, and shall not use such confidential and/or proprietary information for any reason other than the fulfillment of its obligation hereunder, for the term of the Agreement and thereafter. Each Party further agrees to comply with the terms and conditions set forth in the Business Associate Addendum attached hereto as Exhibit A.
3. Each Party shall retain all ownership rights to its confidential and/or proprietary information.
4. Each Party recognizes that any breach or violation of this section may result in irreparable harm to the non-breaching party; each Party agrees that, in addition to any and all other remedies available, the non-breaching party shall be entitled to an injunction restraining the breaching party and any related person(s) from violating this section.

#### E. Notices

1. Any notice required to be given pursuant to the terms and provisions hereof shall be in writing and shall be sent via overnight courier or certified mail, return receipt requested:
  - a) To Company: National Health Insurance Company, Attn.: Agent Licensing, 1515 N. Rivercenter Dr., Suite 135, Milwaukee, WI 53212. Copy to: Vice President and Corporate Counsel, Legal Department.
  - b) To Agent at the address shown on the signature page.
2. Notice shall be effective in the case of overnight courier, the day delivered, with confirmed receipt notification; or certified mail, three (3) days after letter is deposited, postage prepaid, in a United States post office depository.

**NATIONAL HEALTH INSURANCE COMPANY**  
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F. Governing Law

This Agreement shall be governed, construed and enforced in accordance with the law the State of Texas. All disputes arising hereunder shall be venued in Dallas County, Texas. In the event that one or more of the provisions herein shall be invalid, illegal or unenforceable in any respect, the validity, legality and enforcement of the remaining provisions shall not be affected or impaired.

G. Assignment

Company may delegate some of its responsibilities hereunder to its administrative agents. Company reserves the right to assign, delegate, subcontract, or otherwise transfer its rights, obligations and/or interests under this Agreement to a different administrative agent. Company may also freely assign this Agreement to a related affiliate or lawful successor. Other than the foregoing exceptions, neither Party may assign, delegate, subcontract, or otherwise transfer its rights, obligations and/or interests arising under this Agreement without the prior written consent of the other Party which consent shall not be unreasonably withheld.

H. Waiver and Remedies

No failure to exercise and no delay in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies provided for herein are cumulative and not exclusive of any rights or remedies provided by law.

I. Relationship as Independent Contractors

It is understood and agreed that the Parties shall have no authority to make a representation, warranty or binding commitment on behalf of the other Party, except expressly provided in this Agreement. Company and Agent are independent contractors contracting with each other for the purpose of effecting the provisions of the Agreement. Neither the relationship of the Parties nor their performance of any obligations under this Agreement shall render the Parties partners or joint venturers. Agent is solely responsible for its own debts and obligations, including taxes, and shall not, under any circumstances, hold itself out to be an employee of Company. Agent and Agent's staff (as applicable) shall not, in any claim against Company, or in any determination of eligibility for statutory benefits, assert that Agent or Agent's staffs are employees of Company. Agent acknowledges that he or she has the responsibility for paying self-employment tax and that Company does not treat Agent as an employee for Federal tax purposes.

J. Reports and Audits

Agent shall maintain complete and confidential Records of all business obtained on Company's behalf. Such Records shall not be distributed to other insurance carriers or their agents, and shall only be used in the course of transacting the business of insurance for Company. "Records" shall include but not be limited to: all documentation relating to financial arrangements, Compensation, point-of-sale, marketing materials, Agent contracts, insured information, sales and/or verification call recordings, and any other information

## NATIONAL HEALTH INSURANCE COMPANY

### AGENT AGREEMENT

relating to the transaction of Agent's business with Company. Agent shall maintain all Records for seven (7) years or, if longer, such period required by applicable law. Additionally, upon providing advance written notice to Agent, Company may audit these materials or may designate an independent consultant to review such Records. All Records used by Agent in the transaction of business under this Agreement shall be delivered to Company upon demand. This provision shall survive the termination of this Agreement.

Each Party shall make available to the other Party upon request, and permit such Party to copy, at its own expense, all relevant files and business records in connection with this Agreement, the Products, and activities undertaken pursuant to this Agreement.

#### K. Headings

The headings of sections contained in this Agreement are for reference purposes only shall not affect in any way the meaning or interpretation of this Agreement.

#### L. Entire Agreement, Modification, Waiver, Approval

This Agreement, and any and all schedules, exhibits or addendums annexed hereto, constitute the entire agreement and understanding between and among the Parties and supersedes all prior agreement and understandings relating to the subject matter of this Agreement.

No modification of this Agreement will bind Company unless it is made in writing and executed by an officer of Company. Company shall have the sole right to amend this Agreement and any attachments, exhibits or schedules. All amendments to this Agreement, except amendments to Compensation amounts, shall be in writing and shall become effective thirty (30) days after providing written notice of the amendment to Agent. Amendments to Compensation amounts shall become effective immediately upon notification to Agent by Company.

Notwithstanding the foregoing, if during the term of this Agreement, Company determines that it is advisable to change the services, Compensation, or terms of this Agreement provided hereunder: (i) as a result of newly enacted or changes to applicable laws, regulations, or taxes, or agency rulings or demands; (ii) as a result of changes in interpretations or understandings of applicable laws, regulations, or taxes; (iii) as a result of industry developments or changes in industry standards or practices, or (iv) to conform to Company's business needs or objectives in response to changes set forth in sections (i) through (iii) above, Company shall provide to Agent fifteen (15) days written notice of such changes. It is further agreed that the provisions of this Agreement may be modified or changed immediately upon notice, if they conflict with any federal or state law or ruling of any federal or state agency having jurisdiction over a party. Company specifically reserves the right to modify Compensation on existing and future business, both first year and renewal, in accordance with this Section.

In the event any verbal or written agreements now exist or are entered into in the future between Agent and Program Manager, such agreements shall not be the responsibility of Company unless expressly approved by Company in writing.

**NATIONAL HEALTH INSURANCE COMPANY  
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M. Dispute Resolution; Equitable Relief

Each Party agrees that, in the event of a dispute or alleged breach, they shall first work together in good faith to resolve the matter internally through negotiations and, if necessary, by escalating it to higher levels of management. The foregoing shall not apply to, and shall not prevent a party from seeking immediate relief in the event of, disputes involving the confidentiality or data protection provisions of this Agreement or infringement of intellectual property rights (in which case either party shall be free to seek available remedies in a court of competent jurisdiction in accordance with the Governing Law Section of this Agreement).

N. Severability

In the event that one or more of the provisions herein shall be invalid, illegal or unenforceable in any respect, the validity, legality and enforcement of the remaining provisions shall not be affected or impaired.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their duly authorized representatives.

**COMPANY:**

**National Health Insurance Company**  
4455 LBJ Freeway  
Suite 375  
Dallas, TX 75244



Signature  
Charles W Harris  
President

**AGENT:**

[Agent Name] \_\_\_\_\_

[Address] \_\_\_\_\_

[City, State, Zip] \_\_\_\_\_

Signature \_\_\_\_\_

[Name] \_\_\_\_\_

Date \_\_\_\_\_



**National Health Insurance Company**

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**EXHIBIT A**

**BUSINESS ASSOCIATE ADDENDUM**

THIS BUSINESS ASSOCIATE ADDENDUM (this “**Agreement**”) is entered into as of the Effective Date, by and between National Health Insurance Company, a Texas corporation, with offices located at 4455 LBJ Freeway, Suite 375, Dallas, TX 75244 (the “Covered Entity”) its parent company, affiliates, related entities, and subsidiaries, and Agent (the “**Business Associate**”). Covered Entity and Business Associate are at times referred to herein individually as “**Party**” and collectively as “**Parties**.”

WHEREAS, Covered Entity and Business Associate have an existing relationship under which Covered Entity will make available and/or transfer to Business Associate certain Protected Health Information (defined below), in conjunction with the performance of a function or activity that is being provided by Business Associate to Covered Entity, which is confidential and must be afforded special treatment and protection under the Privacy Rule (defined below) and the Security Rule (defined below), including the amendments to such rules contained in the HITECH Act (defined below).

WHEREAS, Business Associate will create, store, access, receive, maintain, and/or transmit certain Protected Health Information, on behalf of Covered Entity, that can be used or disclosed only in accordance with this Agreement, the Privacy Rule and the Security Rule.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Covered Entity and Business Associate agree as follows:

1. **Definitions.** Terms used, but not otherwise defined, in this Agreement have the same meaning as those ascribed to the terms in the Health Insurance Portability and Accountability Act of 1996 (as amended by the Health Information Technology for Economic and Clinical Health Act, Subtitle D of Title XIII of Division A of the American Recovery and Reinvestment Act of 2009 (the “**HITECH Act**”), and the regulations promulgated thereunder as set forth in the Code of Federal Regulations (“**C.F.R.**”) at Title 45, Part 160, Part 162 and Part 164, and other applicable laws (collectively, “**HIPAA**”). In addition, the following terms shall have the following meanings:

1.1 “**Breach**” means the unauthorized acquisition, access, use or disclosure of Protected Health Information in a manner not permitted by the Privacy Rule which compromises the security or privacy of the Protected Health Information, as described in 45 C.F.R. 164.402.

1.2 “**Business Associate**” shall generally have the same meaning as the term “business associate” at 45 CFR 160.103, and in reference to the party to this agreement, shall mean the entity identified as “Business Associate” above and its affiliates.

1.3 “**Covered Entity**” shall generally have the same meaning as the term “covered entity” as 45 CFR 160.103, and in reference to the party to this agreement shall mean National Health Insurance Company.

## National Health Insurance Company

### AGENT AGREEMENT

1.4 **“Electronic Health Record”** means an electronic record of health-related information on an individual that is created, gathered, managed, and consulted by authorized health care clinicians and staff.

1.5 **“Electronic Protected Health Information”** shall mean individually identifiable health information that is transmitted or maintained by electronic media as described in HIPAA.

1.6 **“HHS”** shall mean the U.S. Department of Health and Human Services.

1.7 **“Individual”** shall mean the person who is the subject of the Protected Health Information, and has the same meaning as the term “individual” is defined in HIPAA, and shall include a personal representative in accordance with 45 C.F.R. 164.502(g).

1.8 **“Privacy Rule”** shall mean the Standards for Privacy of Individually Identifiable Health Information, C.F.R. at Title 45, Parts 160 and 164.

1.9 **“Protected Health Information”** shall have the same meaning as the term “protected health information” as described in HIPAA, limited to the information created or received by Business Associate from, or on behalf of, Covered Entity.

1.10 **“Required By Law”** shall have the same meaning as the term “required by law” in HIPAA.

1.11 **“Secretary”** shall mean the Secretary of HHS or his or her designee.

1.12 **“Security Incident”** shall have the same meaning as the term “Security incident” as defined in 45 C.F.R. 164.304.

1.13 **“Security Rule”** shall mean the Standards for the Security of Electronic Protected Health Information, C.F.R. at Title 45, Parts 160, 162 and 164.

1.14 **“Unsecured Protected Health Information”** has the same meaning as the term “Unsecured protected health information” as defined in Section 13402 of the HITECH Act and 45 C.F.R. 164.402.

## 2. **Permitted Uses and Disclosures by Business Associate.**

2.1 **General Uses and Disclosures.** Except as otherwise limited in this Agreement, Business Associate may use or disclose Protected Health Information to perform functions, activities, or services for, or on behalf of, Covered Entity (the **“Services”**), if such use or disclosure by Business Associate complies with the Privacy Rule’s minimum necessary policies and procedures required of Covered Entity (and/or Business Associate), and if such use or disclosure of Protected Health Information would not violate the Privacy Rule or the Security Rule if done by Covered Entity (and/or Business Associate).

2.2 **Limits On Uses And Disclosures.** Business Associate hereby agrees that it shall be prohibited from using or disclosing Protected Health Information that it creates, stores, accesses, receives, maintains, or transmits on behalf of Covered Entity for any

## National Health Insurance Company

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purpose other than as expressly permitted or required (i) to perform the Services, (ii) by this Agreement or (iii) as Required by Law.

#### 2.3 Disclosure For Management, Administration and Legal Responsibilities.

Except as otherwise limited in this Agreement, Business Associate may disclose Protected Health Information for the proper management and administration of Business Associate or to carry out Business Associate's legal responsibilities, provided that:

- i. The disclosure is Required by Law; or
- ii. Business Associate obtains reasonable assurances from the person or entity to whom the Protected Health Information is disclosed that: (i) the Protected Health Information will remain confidential and be used or further disclosed only as Required by Law or for the specific purpose for which it was disclosed to the person, and (ii) they will notify Business Associate within thirty (30) days of the date of any Breach with respect to Unsecured Protected Health Information (or any other Security Incident or Breach with respect to Protected Health Information) received from Business Associate.

#### 2.4 Data Aggregation Services.

Except as otherwise limited in this Agreement, Business Associate may use Protected Health Information to provide "Data Aggregation Services" (as defined by 45 C.F.R. 164.501) relating to the operations of the Covered Entity as permitted by 42 C.F.R. 164.504(e)(2)(i)(B).

### 3. Prohibited Uses and Disclosures. Business Associate shall not:

- i. Make or cause to be made any marketing communication about a product or service that is prohibited by Section 13406(a) of the HITECH Act;
- ii. Make or cause to be made any written fundraising communication that is prohibited by Section 13406(b) of the HITECH Act;
- iii. Disclose Protected Health Information to a health plan for payment or health care operations (as defined under the Privacy Rule) purposes if Covered Entity has advised Business Associate (or the Individual has notified Business Associate directly) that the Individual, or someone other than the health plan on behalf of the Individual, has (i) requested this special restriction, and (ii) paid out-of-pocket in full for the health care item or service to which the Protected Health Information solely relates, in accordance with Section 13405(a) of the HITECH Act; or
- iv. Directly or indirectly receive remuneration in exchange for Protected Health Information created, stored, accessed, received, maintained, or transmitted in connection with Business Associate's relationship with Covered Entity in accordance with Section 13405(d) of the HITECH Act, except as otherwise permitted by the HITECH Act; provided, however, that this prohibition shall not affect payment by Covered Entity to Business Associate.

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#### 4. Business Associate Obligations.

4.1 Appropriate Safeguards. Business Associate will establish and maintain reasonable and appropriate administrative, physical and technical safeguards to:

i. Prevent the use or disclosure of the Protected Health Information, other than as such use or disclosure is permitted by this Agreement or to perform the Services; and

ii. Protect the confidentiality, integrity, and availability of the Electronic Protected Health Information that Business Associate creates, stores, accesses, receives, maintains, or transmits on behalf of Covered Entity.

4.2 Security Rule. Business Associate shall comply with the applicable policies and procedures and documentation requirements of the Security Rule set forth in 45 C.F.R. 164.308, 45 C.F.R 164.310, 45 C.F.R 164.312 and 45 C.F.R 164.316 as required by Section 13401(a) of the HITECH Act.

4.3 Reports of Improper Use, Disclosure or Security Incidents. Business Associate hereby agrees that it shall report to Covered Entity, in a reasonable time and manner, any:

i. Use or disclosure of Protected Health Information not provided for or allowed by this Agreement; and

ii. Security Incidents that Business Associate becomes aware of that involve the Electronic Protected Health Information covered under this Agreement.

4.4 Subcontractors and Agents. Business Associate will:

i. Ensure that any agents and subcontractors to whom Business Associate provides Protected Health Information that Business Associate has created, stored, accessed, received, maintained, or transmitted on behalf of Covered Entity, agree to the same restrictions and conditions that apply to Business Associate in this Agreement; and

ii. Notify Covered Entity in writing of any such agents and subcontractors to whom Business Associate discloses or otherwise provides such Protected Health Information.

4.5 Right of Access to Protected Health Information. Except as otherwise limited in this Agreement, Business Associate hereby agrees to provide, in a reasonable time and manner, access to Protected Health Information in a Designated Record Set (if applicable and as defined in HIPAA) to Covered Entity or, as directed by Covered Entity, to an Individual or Individual's designee in order to meet the requirements under 45 C.F.R. 164.524, at the written request of Covered Entity. If Business Associate maintains an Electronic Health Record, Business Associate shall provide such information in electronic format to enable Covered Entity to fulfill Covered Entity's obligations under the HITECH Act.

4.6 Amendments to Protected Health Information. Business Associate agrees to make any amendment(s) to Protected Health Information in a Designated Record

## National Health Insurance Company

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Set, if applicable, that Covered Entity directs or agrees to pursuant to 45 C.F.R. 164.526, at the request of Covered Entity or an Individual, and in a reasonable time and manner. If any Individual requests an amendment of Protected Health Information directly from Business Associate (or Business Associate's subcontractors or agents), Business Associate will notify Covered Entity immediately following the request. Any approval or denial of amendment of Protected Health Information maintained by Business Associate (or Business Associate's subcontractors or agents) shall be the responsibility of Covered Entity.

4.7 Access to Books and Records. Except as otherwise limited in this Agreement, Business Associate agrees to make its internal policies, procedures, practices, books and records relating to the use, disclosure and safeguarding of Protected Health Information created, stored, accessed, received, maintained, or transmitted by Business Associate on behalf of Covered Entity, available to the Secretary or Covered Entity, in a reasonable time and manner, for purposes of the Secretary's determining Covered Entity's compliance with the Privacy Rule and the Security Rule.

4.8 Documentation of Disclosures. Business Associate agrees to document such disclosures of Protected Health Information and information related to such disclosures as would be required for Covered Entity to respond to a request by an Individual for an accounting of disclosures of Protected Health Information in accordance with 45 C.F.R. 164.528.

4.9 Provide Accounting of Disclosures. Except as otherwise limited in this Agreement, Business Associate agrees to provide to Covered Entity or an Individual, in a reasonable time and manner, information collected in accordance with Section 4.8 of this Agreement, to permit Covered Entity to respond to a request by an Individual for an accounting of disclosures of Protected Health Information in accordance with 45 C.F.R. 164.528 and, if applicable, Section 13405(c) of the HITECH Act. In the event that the request for an accounting is delivered directly to Business Associate (or Business Associate's subcontractors or agents), Business Associate shall forward a copy of the request to Covered Entity immediately. It shall be Covered Entity's responsibility to prepare and deliver any such accounting requested.

4.10 Mitigation Procedures. Business Associate agrees to mitigate, to the extent commercially reasonable, any harmful effect that is known to Business Associate of a use or disclosure of Protected Health Information by Business Associate in violation of the requirements of this Agreement.

4.11 Notification of Breach. Except as otherwise provided under the HITECH Act, Business Associate agrees to notify Covered Entity immediately following the date of discovery of a Breach of Unsecured Protected Health Information as follows:

i. A Breach shall be deemed discovered by Business Associate when Business Associate actually knows of the Breach or, by exercising reasonable diligence, would have known of the Breach; and

ii. The notification required by this Section 4.11 shall be made in accordance with Section 14 and shall include, to the extent possible, (i) the identification of each Individual whose Unsecured Protected Health Information has been, or is reasonably

## National Health Insurance Company

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believed by Business Associate to have been, accessed, acquired, used, or disclosed during the Breach, (ii) a brief description of what happened, including the date of the Breach and the date of the Business Associate's discovery of the Breach, if known, (iii) a description of the types of Unsecured Protected Health Information involved in the Breach, (iv) any steps affected Individuals should take to protect themselves from potential harm resulting from the Breach, (v) a brief description of what Business Associate is doing to investigate the Breach, to mitigate harm to Individuals, and to protect against further Breaches, and (vi) contact procedures for affected Individuals, which shall include a toll-free telephone number, an e-mail address, web site, or postal address

#### 5. **Covered Entity Obligations.**

5.1 **Provide Notice.** Covered Entity shall provide Business Associate with the Notice of Privacy Practices that Covered Entity produces in accordance with 45 C.F.R. 164.520, as well as any changes to such notice, in a reasonable time and manner, when such copy of the notice or amended notice is required for compliance with the Privacy Rule.

5.2 **Obtain Authorization.** Covered Entity shall obtain any consent or authorization from Individuals that may be required by applicable federal or state laws and regulations prior to furnishing Business Associate the Protected Health Information.

5.3 **Provide Changes of Authorization or Permission.** Covered Entity shall provide, in writing and in a reasonable time and manner, Business Associate with any changes in, or revocation of, authorization or permission by an Individual to use or disclose Protected Health Information, if such changes affect Business Associate's permitted or required uses and disclosures.

5.4 **Provide Restrictions.** Covered Entity shall notify Business Associate, in writing and in a reasonable time and manner, of any restrictions to the use or disclosure of Protected Health Information changing Business Associate's obligations that Covered Entity has agreed to in accordance with 45 C.F.R. 164.522.

5.5 **Permissible Requests by Covered Entity.** Covered Entity shall not request that Business Associate use or disclose Protected Health Information in any manner that would not be permissible under the Privacy Rule, the Security Rule or this Agreement if done by Covered Entity.

6. **Term.** The term of this Agreement shall commence as of the Effective Date, and shall terminate when all of the Protected Health Information provided by Covered Entity to Business Associate, or created or received by Business Associate on behalf of Covered Entity, is destroyed or returned to Covered Entity in compliance with Section 9 of this Agreement.

#### 7. **Termination for Cause.**

7.1 **By Covered Entity.** In accordance with Section 13404 of the HITECH Act, if Covered Entity knows of a pattern of activity or practice of Business Associate that constitutes a material breach or violation of Business Associate's obligations under this Agreement, Covered Entity shall provide written notice of such breach to Business Associate and provide an opportunity for Business Associate to cure the breach or end the violation

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within 30 business days from the date Business Associate receives the written notice from Covered Entity. If Business Associate does not cure the breach or end the violation within the stated cure period, Covered Entity may immediately terminate this Agreement and the underlying services agreement. In addition, Covered Entity may terminate this Agreement immediately without opportunity for cure if Covered Entity and Business Associate agree that cure is not reasonably possible or if Covered Entity deems such immediate termination to be appropriate under the circumstances.

7.2 By Business Associate. In accordance with Section 13404 of the HITECH Act, if Business Associate knows of a pattern of activity or practice of Covered Entity that constitutes a material breach or violation of Covered Entity's obligations under this Agreement, Business Associate shall provide written notice of such breach to Covered Entity and provide an opportunity for Covered Entity to cure the breach or end the violation within 30 business days from the date Covered Entity receives the written notice from Business Associate. If Covered Entity does not cure the breach or end the violation within the stated cure period, Business Associate may immediately terminate this Agreement and the underlying services agreement. In addition, Business Associate may terminate this Agreement immediately without opportunity for cure if Business Associate and Covered Entity agree that cure is not reasonably possible or if Business Associate deems such immediate termination to be appropriate under the circumstances.

8. Special Termination. In the event that any federal, state or local law or regulation currently existing or hereinafter enacted, or any final or non-appealable construction or interpretation of such law or regulation (whether federal, state or local) or enforcement of such laws or regulations hereinafter occurs that makes performance of this Agreement impossible or illegal, the Parties mutually agree to enter into a modification of this Agreement to make substantial performance of this Agreement possible. However, should the Parties be unable to agree upon an appropriate modification to comply with such requirements following thirty (30) days of good faith negotiations, either Party may give written notice to immediately terminate this Agreement and, in such event, Business Associate shall discontinue services for Covered Entity.

#### 9. Effect of Termination.

9.1 Return of Protected Health Information. Except as otherwise limited in this Agreement, and except as provided in Section 9.2 of this Agreement, upon termination of this Agreement for any reason, Business Associate hereby agrees to return all Protected Health Information received from Covered Entity or created or received by Business Associate on behalf of Covered Entity or destroy such Protected Health Information. This provision shall apply to Protected Health Information that is in the possession of subcontractors or agents of Business Associate. Business Associate shall retain no copies of the Protected Health Information, except as permitted by Section 9.2 of this Agreement.

9.2 Retention of Protected Health Information. Except as otherwise limited in this Agreement, in the event that Business Associate determines that returning or destroying the Protected Health Information in accordance with Section 9.1 of this Agreement is not feasible, Business Associate shall provide to Covered Entity notification of the conditions that make return or destruction of the Protected Health Information not feasible and shall extend the protections of this Agreement to such Protected Health Information and limit further uses

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and disclosures of such Protected Health Information to those purposes that make the return or destruction not feasible, for as long as Business Associate maintains such Protected Health Information.

#### 10. **Indemnification.**

10.1 **Indemnification by Covered Entity.** Except as otherwise limited in this Agreement, the parties agree that they shall mutually indemnify and hold harmless each other against any claims, liabilities, damages, and expenses, including reasonable attorneys' fees, incurred in defending or compromising actions brought against them arising out of or related to their or their employees' acts or omissions in connection with their negligent or fraudulent performance of their applicable duties under this Agreement. This indemnity shall be in proportion to the amount of responsibility found attributable to indemnifying party.

11. **Survival of Obligations.** Except as otherwise limited in this Agreement, termination of this Agreement shall not relieve either Party from fulfilling any obligation under this Agreement, including but not limited to, Sections 9 and 10 hereof, or any other agreement between the Parties that, at the time of termination, has already accrued to the other Party or which thereafter may accrue with respect to any act or omission that occurred prior to such termination.

12. **Governing Law; Venue.** This Agreement shall be governed by, and interpreted and construed in accordance with, the laws of the State of Texas, without reference to the conflict of laws principles of any jurisdiction. The parties hereby agree that if any permitted suit, action or proceeding is brought in connection with this Agreement, venue for such suit, action or proceeding shall be in, and such suit, action or proceeding must be brought in, a federal or state court of competent jurisdiction located in Dallas County, Texas, and each party submits to the jurisdiction of such court for the purpose of any such suit, action or proceeding. Each party irrevocably waives any defense, challenge or objection which it may now or hereafter have to the laying of venue of any permitted suit, action or proceeding arising out of or relating to this Agreement brought in a federal or state court of competent jurisdiction located in Dallas County, Texas, and hereby waives any claim that any such suit, action or proceeding brought in such court has been brought in any inconvenient forum or that such court lacks personal jurisdiction.

13. **Binding Nature and Assignment.** This Agreement shall be binding on the Parties hereto and their successors and assigns, but neither Party may assign this Agreement without the prior written consent of the other, which consent shall not be unreasonably withheld.

#### 14. **Notices.**

All notices and other communications hereunder shall be in writing and shall be deemed given if delivered in person, by an overnight express delivery service (e.g., Federal Express) or by registered or certified mail (postage prepaid, return receipt requested) to the other party at the following addresses (or at such other address for a party as shall be specified by like notice; provided that notices of a change of address shall be effective only upon receipt thereof):



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If to Covered Entity:

National Health Insurance Company  
4455 LBJ Freeway  
Suite 375  
Dallas, TX 75244  
Attn: Charles W. Harris

If to Business Associate:

Any notice or other communication pursuant to this Agreement shall be deemed to have been duly given or made and to have become effective upon the earliest of (a) when delivered in hand to the party to which directed, (b) if sent by first-class mail postage prepaid and properly addressed as set forth above, at the time when received by the addressee, and receipt has been confirmed, (c) if sent by overnight express delivery service, the next succeeding day after being sent, provided that receipt has been acknowledged by such service, or (d) with respect to delivery by certified mail, return receipt requested, when delivery thereof, properly addressed as set forth above, is made by the U.S. Postal Service.

15. **Cooperation.** Both Business Associate and Covered Entity acknowledge that mutual cooperation and assistance is essential to each Party's performance under this Agreement; therefore, it will be the duty of both Parties to make all good faith efforts to fully cooperate in the execution of this Agreement.

16. **Headings.** The headings of this Agreement are inserted for convenience only and are not to be considered in the interpretation of this Agreement. They shall not in any way limit the scope or modify the substance or context of any sections of this Agreement.

17. **Force Majeure.** Neither Party shall be liable or be deemed in breach of this Agreement for any failure or delay of performance that results, directly or indirectly, from acts of God, civil or military authority, public disturbance, accidents, fires, or any other cause beyond the reasonable control of either Party, and such nonperformance shall not be grounds for termination.

18. **Attorney's Fees.** Except as otherwise limited in this Agreement, if any legal action or other proceeding is brought for the enforcement of this Agreement, or because of an alleged dispute, breach, default, misrepresentation, or injunctive action, in connection with any of the provisions of this Agreement, each Party shall bear their own legal expenses and the other costs incurred in that action or proceeding.

19. **Regulatory References.** A reference in this Agreement to a section in the Privacy Rule and/or the Security Rule means the section as in effect or as amended, and for which compliance is required.

20. **Third Party Beneficiaries.** Nothing express or implied in this Agreement is intended to confer, nor shall anything herein confer, upon any person or entity other than the

## National Health Insurance Company

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Parties and the respective successors or assigns of the Parties, any rights, remedies, obligations or liabilities whatsoever.

21. **Counterparts.** This Agreement may be executed in two or more counterparts, each of which alone and all of which together shall constitute one and the same instrument. The signature of a Party set forth on a counterpart hereof and transmitted by facsimile or other electronic transmission (including by email in portable document format (pdf) to the other parties shall be of the same force and effect as if the executing Party had delivered a counterpart bearing an original signature.

22. **Severability.** If any provision of this Agreement is held to be illegal, invalid or unenforceable under any present or future law, rule or regulation, such provision shall be fully severable and this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part hereof. The remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance here from. Furthermore, in lieu of such illegal, invalid or unenforceable provision, there shall be added automatically as a part of this Agreement a legal, valid and enforceable provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible.

23. **Waivers.** The failure of a Party at any time or times to require performance of any provision of this Agreement shall in no manner affect such Party's right at a later time to enforce such provision. No waiver by a Party of any provision or breach of this Agreement shall be effective unless in writing, and no waiver in any one or more instances shall be deemed to be a further or continuing waiver in other any instance.

24. **Relationship.** Business Associate is acting as an independent contractor of Covered Entity with respect to this Agreement. Nothing in this Agreement shall create or be deemed to create the relationship of employer/employee, partners, joint ventures, or principal-agent between the Parties.

25. **Amendment.** Except as otherwise limited in this Agreement, the Parties agree to take such action as is necessary to amend this Agreement from time to time as is necessary for the Parties to comply with the requirements of the Privacy Rule, the Security Rule, HIPAA and the HITECH Act. No changes in or additions to this Agreement shall be recognized unless incorporated herein by written amendment by the Parties, such amendment(s) to become effective on the date stipulated in such amendment(s). No discharge of obligations arising under this Agreement shall be valid unless in writing and executed by the Party against whom such discharge is sought to be enforced.

26. **Interpretation.** Any ambiguity in this Agreement shall be resolved in favor of a meaning that permits the Parties to comply with the Privacy Rule and the Security Rule.



## Allstate Advertising, Promotions and Marketing Policy

Allstate is committed to assuring that advertising and sales promotion materials for Allstate products are unambiguous as to purpose, and truthful and fair as to content and presentation. To ensure advertising, promotion and marketing clarity, any advertising materials, as defined below, whether created by our home office staff or by Allstate marketers, must have the written approval of Allstate prior to use. Many states mandate the filing of all advertising material, which must be approved prior to the use of any such material.

Accordingly, Allstate requires that any advertisement desired to be distributed, printed or televised be preapproved by Allstate, and where applicable, the appropriate state departments. Allstate reserves the right to require the immediate cease and desist of the use of any material distributed, printed or aired without Allstate's written pre-approval.

State laws and regulations require that advertising be complete and clear so as to avoid deception, and that such advertising must not have the capacity or tendency to mislead or deceive. Generally, discretion is left to the Commissioner of Insurance of each state to make this determination based upon the overall impression that the advertisement may reasonably be expected to create upon a person of average education or intelligence within the segment of the public to which it is directed.

What is and is not "advertising" is not always obvious. The NAIC Model Act defines the term "advertisement" to include virtually any marketing or sales practice in any medium designed to create interest in (1) an insurer, (2) a producer, or (3) an insurance product. Therefore, any question as to what is meant by the word "advertisement" will most likely be resolved in favor of considering the material as an advertisement.

Allstate broadly defines "advertisement" to encompass any materials that are used in conjunction with the marketing or sale of any Allstate product and/or service. Examples of advertising materials include:

- Articles
- Billboards
- Business cards
- Direct mail letters
- E-mail, voice mail messages, fax
- Fact finders
- Flyers
- Illustrations
- Informational releases
- Letters
- Mailers
- Newsletters

Allstate Health Solutions is a marketing name for products underwritten by National Health Insurance Company, Integon National Insurance Company, Integon Indemnity Corporation and American Heritage Life Insurance Company.  
© 2022 Allstate Insurance Company. [www.allstate.com](http://www.allstate.com) or [www.allstatehealth.com](http://www.allstatehealth.com)

Allstate Benefits is a marketing name for: Integon National Insurance Company in CT, NY and VT; Integon Indemnity Corporation in FL; and National Health Insurance Company in CO, WA and all other states where offered.  
© 2022 Allstate Insurance Company. [www.allstate.com](http://www.allstate.com) or [www.allstatebenefits.com](http://www.allstatebenefits.com)

- Newspaper, magazine or insert ads
- Posters
- Radio, TV, internet, all electronic media ads
- Product brochures
- Promotional items (pens, T-shirts, etc.)
- Recruiting materials
- Slide presentations
- Software
- Stationary
- Testimonials and endorsements
- Training, seminar and educational material

Note that the above list is not exhaustive. Anything that is used to create interest in Allstate or an Allstate product may be construed as advertising. Agents, Agencies, General Agents and Program Managers are obligated to assure unambiguous advertising.

## Guidelines for Describing Allstate Products

These guidelines are provided to assist you in understanding the fundamentals of appropriate and accurate advertising.

- I. Materials should neither be slanted to target only those consumers whose medical conditions would otherwise prevent them from qualifying for major medical coverage, nor discourage consumers from purchasing by actively soliciting only healthy enrollees.
- II. We require all vendors and distributors to produce marketing pieces that are in accordance with the NAIC marketing guidelines. All advertisements and marketing pieces must be submitted to Allstate for approval prior to publishing. Allstate shall review all advertisement materials for compliance with State Insurance Laws. Allstate will maintain a system of control over the content, form and method of dissemination of all advertisements relating to Allstate products and/or services.
- III. Advertising should avoid statements that are blanket such as “most charges covered” or “no copays or coinsurance.”
- IV. Including rates in a marketing piece makes it an “invitation to contract” vs. an “invitation to inquire”. An “invitation to contract” has more rigid requirements.
- V. Advertisements for policies with premiums that are modest because of their limited coverage or limited amount of benefits shall not describe premiums as "low," "low cost," "budget" or use qualifying words of similar import. The use of words such as "only" and "just" in conjunction with statements of premium amounts when used to imply a bargain are prohibited.

Allstate Health Solutions is a marketing name for products underwritten by National Health Insurance Company, Integon National Insurance Company, Integon Indemnity Corporation and American Heritage Life Insurance Company.  
 © 2022 Allstate Insurance Company. [www.allstate.com](http://www.allstate.com) or [www.allstatehealth.com](http://www.allstatehealth.com)

Allstate Benefits is a marketing name for: Integon National Insurance Company in CT, NY and VT; Integon Indemnity Corporation in FL; and National Health Insurance Company in CO, WA and all other states where offered.  
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- VI. Any advertisement that is an invitation to contract shall disclose the extent to which any loss is not covered if the cause of the loss is traceable to a condition existing prior to the effective date of the policy. As an example, the use of the term "pre-existing condition" without an appropriate definition or description and the relating policy limitations shall not be used.
- VII. In general, advertising and sales promotional materials should be clearly understandable by someone not knowledgeable in insurance terminology and concerns. Use proper terminology when identifying the product and make it clear that you are discussing an insurance policy. If a product is a discount plan, is not insurance or is not affiliated with Allstate, this must be clearly and unambiguously disclosed in the advertisement.
- VIII. Allstate requires clear disclosure that the final rates charged to the consumer are more than just insurance premiums and cover the costs of the association as well as other benefits and services packaged in the program, where applicable. Premiums specific to Allstate policies are noted in the customer policy packets.
- IX. There will be the need for certain disclaimers/descriptors on marketing materials. The following are a few of the standard disclaimers used on marketing materials, as applicable:
- Limitations and exclusions may vary by state. Always refer to the policy certificate for a full list of limitations and exclusions.
  - Supplemental, Short Term, and Fixed Benefit plans should always include this disclaimer in a clear and conspicuous location in the material: THESE PLANS PROVIDE LIMITED BENEFITS.
  - When referencing Allstate Health Solutions and/or using the Allstate Health Solutions logo in relation to individual products, the underwriting company disclaimer should always be present:
    - Allstate Health Solutions markets products underwritten by National Health Insurance Company, Integon National Insurance Company, and Integon Indemnity Corporation, and American Heritage Life Insurance Company.
  - Group Self-Funded disclaimer:
    - Allstate Benefits Group Health provides tools for small-business employers to establish a self-funded health benefit plan for their employees. The benefit plan is established by the employer and is not an insurance product. Stop-loss insurance for the Allstate Benefits Group Health is underwritten and issued by National Health Insurance Company, Integon National Insurance Company, and Integon Indemnity Corporation, and American Heritage Life Insurance Company.
  - There may be additional disclaimers required based on product type and use.

Allstate Health Solutions is a marketing name for products underwritten by National Health Insurance Company, Integon National Insurance Company, Integon Indemnity Corporation and American Heritage Life Insurance Company.  
© 2022 Allstate Insurance Company. [www.allstate.com](http://www.allstate.com) or [www.allstatehealth.com](http://www.allstatehealth.com)

Allstate Benefits is a marketing name for: Integon National Insurance Company in CT, NY and VT; Integon Indemnity Corporation in FL; and National Health Insurance Company in CO, WA and all other states where offered.  
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- X. Advertising materials, once approved by Allstate, may only be used for their intended purposes.

If you have questions, please call us at (888) 781-0585.

### **Acknowledgement**

I have read and understand this document, and accept and will comply with Allstate's Advertising, Promotions and Marketing Policy.

**Signature** \_\_\_\_\_

**Agent Name** \_\_\_\_\_

**Date** \_\_\_\_\_

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## STATE DISCLOSURES

Please be advised that a consumer report and/or investigative consumer report may be obtained on you for employment purposes. The consumer reporting agency that may provide the company with your report is:

**Business Information Group, Inc. (BIG)**  
P.O. Box 541  
Southampton, PA 18966  
Telephone: (800) 260-1680  
[www.bigreport.com](http://www.bigreport.com)

BIG's privacy practices with respect to the preparation and processing of consumer reports and/or investigative consumer reports may be found at <http://www.bigreport.com/privacy-policy/>.

### **For Maine Applicants & Residents**

Upon request, you will be informed whether or not an investigative consumer report was requested, and if such a report was requested, the name and address of the consumer reporting agency furnishing the report. You may request and receive from us, within 5 business days of our receipt of your request, the name, address and telephone number of the nearest unit designated to handle inquiries for the consumer reporting agency issuing an investigative consumer report concerning you. You also have the right, under Maine law, to request and promptly receive from all such agencies copies of any reports.

### **For Massachusetts Applicants & Residents**

You have the right, upon request, to know whether the company ordered an investigative consumer report about you. You also have the right to ask the consumer reporting agency for a copy of any such report.

### **For Minnesota Applicants & Residents**

You have the right in most circumstances to submit a written request to the consumer reporting agency for a complete and accurate disclosure of the nature and scope of any consumer report the company ordered about you. The consumer reporting agency must provide you with this disclosure within five (5) business days after its receipt of your request or the report was requested by the company, whichever date is later. If an investigative consumer report is obtained, such a report may include information obtained through personal interviews regarding your character, general reputation, personal characteristics, or mode of living.

### **For New Jersey Applicants & Residents**

You have the right to submit a request to the consumer reporting agency for a copy of any investigative consumer report the company ordered about you.

### **For New York Applicants & Residents**

You have the right, upon written request, to be informed of whether or not a consumer report and/or investigative consumer report was requested. If a consumer report is requested, you will be provided with the name and address of the consumer reporting agency furnishing the report.

### **For Washington Applicants & Residents**

If we request an investigative consumer report, you have the right, upon written request made within a reasonable period of time, to receive from us a complete and accurate disclosure of the nature and scope of the investigation. You are entitled to this disclosure within five business days after the date your request is received or we ordered the report, whichever is later. You have the right to request from the consumer reporting agency a summary of your rights and remedies under state law.

### **California, Minnesota, and Oklahoma Applicants & Residents:**

You have the right to receive a free copy of your background report. To order a free copy of your background report, please email [NGAHLicenseCommission@NGIC.COM](mailto:NGAHLicenseCommission@NGIC.COM) or call 1.503.459.0732

## CALIFORNIA DISCLOSURE DOCUMENT

The company may order an investigative consumer report on you in connection with your employment application, and if you are hired, or if you already work for the company, may order additional such reports on you for employment purposes.

Such reports may contain information about your character, general reputation, personal characteristics, and mode of living. With respect to any investigative consumer report, the Company may investigate the information contained in your employment application and other background information about you, which may include information concerning your employment and earnings history, education, credit history, motor vehicle history, criminal history, military service, and professional credentials and licenses.

The consumer reporting agency ("CRA"), **BUSINESS INFORMATION GROUP, INC.**, will prepare the investigative consumer report for the company. The CRA's address is **P.O. Box 541, Southampton, PA 18966** and can be reached at **(800) 260-1680**. The privacy policies for the CRA can be found at its Web site: <http://www.bigreport.com/privacy-policy/>.

### **SUMMARY OF RIGHTS UNDER CIVIL CODE SECTION 1786.22**

(a) An investigative consumer reporting agency shall supply files and information required under Section 1786.10 during normal business hours and on reasonable notice.

(b) Files maintained on a consumer shall be made available for the consumer's visual inspection, as follows:

(1) In person, if he or she appears in person and furnishes proper identification. A copy of his or her file shall also be available to the consumer for a fee not to exceed the actual costs of duplication services provided.

(2) By certified mail, if he or she makes a written request, with proper identification, for copies to be sent to a specified addressee. Investigative consumer reporting agencies complying with requests for certified mailings under this section shall not be liable for disclosures to third parties caused by mishandling of mail after such mailings leave the investigative consumer reporting agencies.

(3) A summary of all information contained in files on a consumer and required to be provided by Section 1786.10 shall be provided by telephone, if the consumer has made a written request, with proper identification for telephone disclosure, and the toll charge, if any, for the telephone call is prepaid by or charged directly to the consumer.

(c) The term "proper identification" as used in subdivision (b) shall mean that information generally deemed sufficient to identify a person. Such information includes documents such as a valid driver's license, social security account number, military identification card, and credit cards. Only if the consumer is unable to reasonably identify himself or herself with the information described above, may an investigative consumer reporting agency require additional information concerning the consumer's employment and personal or family history in order to verify his or her identity.

(d) The investigative consumer reporting agency shall provide trained personnel to explain to the consumer any information furnished him or her pursuant to Section 1786.10.

(e) The investigative consumer reporting agency shall provide a written explanation of any coded information contained in files maintained on a consumer. This written explanation shall be distributed whenever a file is provided to a consumer for visual inspection as required under Section 1786.22.

(f) The consumer shall be permitted to be accompanied by one other person of his or her choosing, who shall furnish reasonable identification. An investigative consumer reporting agency may require the consumer to furnish a written statement granting permission to the consumer reporting agency to discuss the consumer's file in such person's presence.



**CALIFORNIA APPLICANTS & RESIDENTS WHO WILL REQUIRE CREDIT REPORT REVIEW:**

Please be advised that your credit may be reviewed as part of this application process. A consumer credit report may be obtained through Business Information Group, Inc., P.O. Box 541, Southampton, PA 18966, Telephone (800) 260-1680, [www.bigreport.com](http://www.bigreport.com).

- Specifically, the basis for review pursuant to California law (Section 1024.5(a) of the Labor Code) is: the information contained in the report is required by law to be disclosed or obtained.

You have the right to receive a free copy of your background report. To order a free copy of your background report, please email [NGAHLicenseCommission@NGIC.COM](mailto:NGAHLicenseCommission@NGIC.COM) or call 1.503.459.0732

**Special Notice for Consumer Credit Report Review  
CALIFORNIA LABOR CODE SECTION 1024.5**

California's new labor code provision severely restricts an employer's ability to conduct credit checks on employees. Labor Code 1024.5 only allows employers to conduct credit checks for employees who meet one of the following categories:

- A managerial position.
- A position in the State Department of Justice.
- That of a sworn peace officer or other law enforcement position.
- A position for which the information contained in the report is required by law to be disclosed or obtained.
- A position that involves regular access, for any purpose other than the routine solicitation and processing of credit card applications in a retail establishment, to all of the following types of information of any one person:
  - (A) Bank or credit card account information.
  - (B) Social security number.
  - (C) Date of birth.
- A position in which the person is, or would be, any of the following:
  - (A) A named signatory on the bank or credit card account of the employer.
  - (B) Authorized to transfer money on behalf of the employer.
  - (C) Authorized to enter into financial contracts on behalf of the employer.
- A position that involves access to confidential or proprietary information, including a formula, pattern, compilation, program, device, method, technique, process or trade secret that (i) derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who may obtain economic value from the disclosure or use of the information, and (ii) is the subject of an effort that is reasonable under the circumstances to maintain secrecy of the information.
- A position that involves regular access to cash totaling ten thousand dollars (\$10,000) or more of the employer, a customer, or client, during the workday.

**EXEMPT INDUSTRIES:** This section does not apply to a person or business subject to Sections 6801 to 6809, inclusive, of Title 15 of the United States Code and state and federal statutes or regulations implementing those sections if the person or business is subject to compliance oversight by a state or federal regulatory agency with respect to those laws. Sections 6801 to 6809 include the following industries (which are excluded from this law):

- National banks, Federal branches and Federal agencies of foreign banks, and any subsidiaries of such entities (except brokers, dealers, persons providing insurance, investment companies, and investment advisers), by the Office of the Comptroller of the Currency;

- Member banks of the Federal Reserve System (other than national banks), branches and agencies of foreign banks (other than Federal branches, Federal agencies, and insured State branches of foreign banks), commercial lending companies owned or controlled by foreign banks, organizations operating under section 25 or 25A of the Federal Reserve Act [12 U.S.C. 601 et seq., 611 et seq.], and bank holding companies and their nonbank subsidiaries or affiliates (except brokers, dealers, persons providing insurance, investment companies, and investment advisers), by the Board of Governors of the Federal Reserve System;
- Banks insured by the Federal Deposit Insurance Corporation (other than members of the Federal Reserve System), insured State branches of foreign banks, and any subsidiaries of such entities (except brokers, dealers, persons providing insurance, investment companies, and investment advisers), by the Board of Directors of the Federal Deposit Insurance Corporation; and
- Savings associations the deposits of which are insured by the Federal Deposit Insurance Corporation, and any subsidiaries of such savings associations (except brokers, dealers, persons providing insurance, investment companies, and investment advisers), by the Director of the Office of Thrift Supervision.
- Under the Federal Credit Union Act [12 U.S.C. 1751 et seq.], by the Board of the National Credit Union Administration with respect to any federally insured credit union, and any subsidiaries of such an entity.
- Under the Securities Exchange Act of 1934 [15 U.S.C. 78a et seq.], by the Securities and Exchange Commission with respect to any broker or dealer.
- Under the Investment Company Act of 1940 [15 U.S.C. 80a–1 et seq.], by the Securities and Exchange Commission with respect to investment companies.
- Under the Investment Advisers Act of 1940 [15 U.S.C. 80b–1 et seq.], by the Securities and Exchange Commission with respect to investment advisers registered with the Commission under such Act.
- Under State insurance law, in the case of any person engaged in providing insurance, by the applicable State insurance authority of the State in which the person is domiciled, subject to section 6701 of this title.
- Under the Federal Trade Commission Act [15 U.S.C. 41 et seq.], by the Federal Trade Commission for any other financial institution or other person that is not subject to the jurisdiction of any agency or authority under paragraphs (1) through (6) of this subsection.

*Para información en español, visite [www.consumerfinance.gov/learnmore](http://www.consumerfinance.gov/learnmore) o escribe al Consumer Financial Protection Bureau, 1700 G Street N.W., Washington, DC 20552.*

### **A Summary of Your Rights Under the Fair Credit Reporting Act**

The federal Fair Credit Reporting Act (FCRA) promotes the accuracy, fairness, and privacy of information in the files of consumer reporting agencies. There are many types of consumer reporting agencies, including credit bureaus and specialty agencies (such as agencies that sell information about check writing histories, medical records, and rental history records). Here is a summary of your major rights under the FCRA. **For more information, including information about additional rights, go to [www.consumerfinance.gov/learnmore](http://www.consumerfinance.gov/learnmore) or write to: Consumer Financial Protection Bureau, 1700 G Street N.W., Washington, DC 20552.**

- **You must be told if information in your file has been used against you.** Anyone who uses a credit report or another type of consumer report to deny your application for credit, insurance, or employment - or to take another adverse action against you - must tell you, and must give you the name, address, and phone number of the agency that provided the information.
- **You have the right to know what is in your file.** You may request and obtain all the information about you in the files of a consumer reporting agency (your "file disclosure"). You will be required to provide proper identification, which may include your Social Security number. In many cases, the disclosure will be free. You are entitled to a free file disclosure if:
  - a person has taken adverse action against you because of information in your credit report;
  - you are the victim of identity theft and place a fraud alert in your file;
  - your file contains inaccurate information as a result of fraud;
  - you are on public assistance;
  - you are unemployed but expect to apply for employment within 60 days.

In addition, all consumers are entitled to one free disclosure every 12 months upon request from each nationwide credit bureau and from nationwide specialty consumer reporting agencies. See [www.consumerfinance.gov/learnmore](http://www.consumerfinance.gov/learnmore) for additional information.

- **You have the right to ask for a credit score.** Credit scores are numerical summaries of your credit-worthiness based on information from credit bureaus. You may request a credit score from consumer reporting agencies that create scores or distribute scores used in residential real property loans, but you will have to pay for it. In some mortgage transactions, you will receive credit score information for free from the mortgage lender.
- **You have the right to dispute incomplete or inaccurate information.** If you identify information in your file that is incomplete or inaccurate, and report it to the consumer reporting agency, the agency must investigate unless your dispute is frivolous. See [www.consumerfinance.gov/learnmore](http://www.consumerfinance.gov/learnmore) for an explanation of dispute procedures.
- **Consumer reporting agencies must correct or delete inaccurate, incomplete, or unverifiable information.** Inaccurate, incomplete or unverifiable information must be removed or corrected, usually within 30 days. However, a consumer reporting agency may continue to report information it has verified as accurate.

- **Consumer reporting agencies may not report outdated negative information.** In most cases, a consumer reporting agency may not report negative information that is more than seven years old, or bankruptcies that are more than 10 years old.
- **Access to your file is limited.** A consumer reporting agency may provide information about you only to people with a valid need – usually to consider an application with a creditor, insurer, employer, landlord, or other business. The FCRA specifies those with a valid need for access.
- **You must give your consent for reports to be provided to employers.** A consumer reporting agency may not give out information about you to your employer, or a potential employer, without your written consent given to the employer. Written consent generally is not required in the trucking industry. For more information, go to [www.consumerfinance.gov/learnmore](http://www.consumerfinance.gov/learnmore).
- **You may limit “prescreened” offers of credit and insurance you get based on information in your credit report.** Unsolicited “prescreened” offers for credit and insurance must include a toll-free phone number you can call if you choose to remove your name and address from the lists these offers are based on. You may opt out with the nationwide credit bureaus at 1-888-5-OPTOUT (1-888-567-8688).
- **You may seek damages from violators.** If a consumer reporting agency, or in some cases a user of consumer reports or a furnisher of information to a consumer reporting agency violates the FCRA, you may be able to sue in state or federal court.
- **Identity theft victims and active duty military personnel have additional rights.** For more information, visit [www.consumerfinance.gov/learnmore](http://www.consumerfinance.gov/learnmore).

**States may enforce the FCRA, and many states have their own consumer reporting laws. In some cases, you may have more rights under state law. For more information, contact your state or local consumer protection agency or your state Attorney General. For information about your federal rights, contact:**

TYPE OF BUSINESS:	CONTACT:
1.a. Banks, savings associations, and credit unions with total assets of over \$10 billion and their affiliates  b. Such affiliates that are not banks, savings associations, or credit unions also should list, in addition to the CFPB:	a. Consumer Financial Protection Bureau 1700 G Street N.W. Washington, DC 20552  b. Federal Trade Commission: Consumer Response Center-FCRA Washington, DC 20580 (877) 382-4357
2. To the extent not included in item 1 above:  a. National banks, federal savings associations, and federal branches and federal agencies of foreign banks  b. State member banks, branches and agencies of foreign banks (other than federal branches, federal agencies, and Insured State Branches of Foreign Banks), commercial lending companies owned or controlled by foreign banks, and organizations operating under section 25 or 25A of the Federal Reserve Act  c. Nonmember Insured Banks, Insured State	a. Office of the Comptroller of the Currency Customer Assistance Group 1301 McKinney Street, Suite 3450 Houston, TX 77010-9050  b. Federal Reserve Consumer Help Center P.O. Box 1200 Minneapolis, MN 55480  c. FDIC Consumer Response Center 1100 Walnut Street, Box #11 Kansas City, MO 64106

TYPE OF BUSINESS:	CONTACT:
Branches of Foreign Banks, and insured state savings associations  d. Federal Credit Unions	d. National Credit Union Administration Office of Consumer Protection (OCP) Division of Consumer Compliance and Outreach (DCCO) 1775 Duke Street Alexandria, VA 22314
3. Air carriers	Asst. General Counsel for Aviation Enforcement & Proceedings Aviation Consumer Protection Division Department of Transportation 1200 New Jersey Avenue, S.E. Washington, DC 20423
4. Creditors Subject to the Surface Transportation Board	Office of Proceedings, Surface Transportation Board Department of Transportation 395 E Street, S.W. Washington, DC 20423
5. Creditors Subject to the Packers and Stockyards Act, 1921	Nearest Packers and Stockyards Administration area supervisor
6. Small Business Investment Companies	Associate Deputy Administrator for Capital Access United States Small Business Administration 409 Third Street, S.W., 8 <sup>th</sup> Floor Washington, DC 20549
7. Brokers and Dealers	Securities and Exchange Commission 100 F Street, N.E. Washington, DC 20549
8. Federal Land Banks, Federal Land Bank Associations, Federal Intermediate Credit Banks, and Production Credit Associations	Farm Credit Administration 1501 Farm Credit Drive McLean, VA 22102-5090
9. Retailers, Finance Companies, and All Other Creditors Not Listed Above	FTC Regional Office for region in which the creditor operates or Federal Trade Commission: Consumer Response Center - FCRA Washington, DC 20580 (877) 382-4357

**Business Information Group, Inc.**  
**A Vertical Screen® Company**  
**Attn: Consumer Disclosure**  
**P.O. Box 541, Southampton, PA 18966**  
**Toll-free phone – 800-260-1680**

## BACKGROUND SCREENING DISCLOSURE FORM

**Please be advised that a consumer report may be obtained on you for employment purposes (which includes independent contractors under the Fair Credit Reporting Act (FCRA)).**

Consumer reports may be obtained at any time after Allstate (the "company") receives your written authorization, including during the onboarding and appointment process; and, during any subsequent period of appointment or employment you may have with the company, where permitted by law.

Under the FCRA, consumer reports include any written, oral or other communication of information by a consumer reporting agency bearing on your credit worthiness, credit standing, credit capacity, character, general reputation, personal characteristics, or mode of living that is used or is expected to be used for employment purposes. Consumer reports may include credit reports, criminal records and driving records, among other forms of information obtained from private and public record sources.

**By signing below, I acknowledge that I have read the above.**

Date: \_\_\_\_\_ Signature of Applicant: \_\_\_\_\_

Print Full Name: \_\_\_\_\_

## BACKGROUND SCREENING AUTHORIZATION FORM

Please be advised that we may also obtain an ***investigative consumer report*** including information as to your character, general reputation, personal characteristics, and mode of living. This information may be obtained by contacting and/or conducting personal interviews with your present and previous employers or references supplied by you. Please be advised that you have the right to request, in writing, within a reasonable time, that we make a complete and accurate disclosure of the nature and scope of the investigation requested.

Additional information concerning the Fair Credit Reporting Act, 15 U.S.C. § 1681 et seq., is available at the Federal Trade Commission's web site (<http://www.ftc.gov>). For more information, including information about additional rights, go to [www.consumerfinance.gov/](http://www.consumerfinance.gov/) or write to: Consumer Financial Protection Bureau, PO Box 4503, Iowa City, IA 52244.

**By signing below, I hereby authorize the company to obtain a consumer report and/or an investigative consumer report on me, and further authorize all entities having information necessary to complete a consumer report and/or investigative consumer report on me to release such information to the company or any of its affiliates or carriers, including: present and former employers; personal references; criminal justice agencies; law enforcement and all other federal, state and local agencies; federal, state and local courts; the military; departments of motor vehicles and motor vehicle records agencies; schools and learning institutions; licensing agencies; and credit bureaus and credit reporting agencies.**

**By signing below, I acknowledge the information that can be disclosed to the consumer reporting agency, if and only as allowed by law, includes information concerning my employment and earnings history, education, credit history, motor vehicle history, criminal history, military service, and professional credentials and licenses.**

**By signing below, I acknowledge and agree that this Background Screening Authorization Form shall remain valid and in effect during the term of my contract and/or employment, subject to applicable laws, and authorize the company to obtain a consumer report and/or an investigative consumer report on me during the hiring/onboarding process as well as at any time during the term of my appointment and/or contract, where permitted by law.**

Date: \_\_\_\_\_ Signature of Applicant: \_\_\_\_\_

Print Full Name: \_\_\_\_\_



## **PRODUCER COMPLIANCE POLICY**

### **INTRODUCTION**

Allstate Health Solutions (“AHS”) strives to regularly communicate market conduct requirements to its producers to always ensure compliance with regulations. The Producer Compliance Policy (“Policy”) is compiled of information to remind producers of these requirements along with other best practices to help AHS always remain compliant.

The Policy contains the following information:

- Ethics
- Producer Appointment Requirements
- Sales Solicitation
- Customer Funds
- Policy Service
- Compensation
- Adherence to Advertising Guidelines
- Privacy and Security Responsibilities
- Compliance with Customer and Prospect Contact Rules and Regulations
- Violations

Attachments include the Allstate Do Not Call Policy, Allstate Texting Policy, and AHS Anti-Money Laundering Communication.

This Policy supplements the producer/agent agreements of AHS, pursuant to the provisions by which AHS may amend or supplement the agreements with appropriate official written communication. All producers are required to remain informed of, and act in compliance with, the standards outlined in this Policy, and all applicable state and federal laws and regulations.

Unless otherwise noted, this Policy applies to all producers appointed with National Health Insurance Company, Integon National Insurance Company, Integon Indemnity Corporation and American Heritage Life Insurance Company, selling products under the marketing name “Allstate Health Solutions” or “AHS”.

- This Policy’s application is limited to the representation of AHS and has no effect on policies or procedures governing the representation of other Allstate affiliates.

Throughout this Policy:

- “Allstate Health Solutions” and “AHS” means National Health Insurance Company, Integon National Insurance Company, Integon Indemnity Corporation and American Heritage Life Insurance Company.
- “You” and “producer” means the agent or agency appointed with AHS and whose producer/agent agreement is supplemented by this Policy.
- “We”, “us”, and “our” means AHS.



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## ETHICS

As a member of the insurance industry, you must comply with the letter and the spirit of the laws and regulations that govern our industry. AHS is committed to operating its business in an ethical manner. As an AHS producer, you are expected to maintain the highest ethical standards. When acting on behalf of AHS, producers are required to act in compliance with the company's ethical standards and adhere to the AHS agency standards. Producers are also solely responsible for their employees or others working on their behalf and must ensure those individuals comply with the AHS standards, the company's standards with respect to ethical business practices, and all federal, state, and local laws and regulations.

## PRODUCER APPOINTMENT REQUIREMENTS

### Licensing

AHS seeks only those producers of good character and business repute who have the appropriate education, qualifications, and training to represent AHS.

Before engaging in any form of solicitation of AHS products, you must be licensed in the applicable jurisdiction(s) and contracted by AHS. Producers in KS, LA, MT, and OK must also be appointed by AHS at time of contracting. For all other states, AHS will request appointments upon receipt of business in the corresponding state. Solicitation includes any form of advertising, such as providing sales literature to a prospect. Failure to be properly licensed and contracted usually precludes, by law, issuance of coverage and compensation.

Although AHS will request the appropriate state appointment(s), the responsibility of meeting the requirements for licensing and appointment remains with you. You must maintain your license in good standing and satisfy all requirements for renewal including continuing education.

Unlicensed agency staff may not:

- solicit for insurance;
- discuss or quote premiums;
- discuss or provide advice concerning any aspect of insurance coverages;
- engage in any sales-related activity beyond completing data entry or other clerical activity for a licensed producer;
- receive compensation based on sales, except as permitted by law; or
- be involved in any activity or transaction that is in violation of state licensing or other laws.

### Criminal Convictions

To combat the costs of insurance fraud, Congress passed the Violent Crime Control and Law Enforcement Act of 1994. Among its provisions, the statute prohibits a person from willfully engaging in the business of insurance if convicted of a criminal felony involving dishonesty or breach of trust. The statute further prohibits anyone from willfully permitting such a person to participate in the business of insurance. Although waivers are possible, only the insurance commissioner can grant them.

AHS strives to ensure compliance with all regulatory and legal requirements and vigorously seeks to detect and prevent insurance fraud. Our employees and producers are the first line of defense to assist AHS in meeting these obligations and goals.

To ensure compliance with this law, our producers are required to immediately notify AHS at [ngahlicensecommission@ngic.com](mailto:ngahlicensecommission@ngic.com), if any of the following individuals have been convicted of a federal or state felony:

- Licensed producer;
- Employee of the agency;

- Officer, director, or other representative of the agency; or
- Enroller or other contractor of the agency who performs insurance-related services.

If you or anyone in your agency as described above has ever been convicted of a felony, you must advise your Sales Leader in writing so that corrective action can be taken. Your notice should include a description of the conviction, the court and date, and whether your state's Insurance Department has provided you/the convicted person with the necessary waiver.

### **Anti-Fraud Training**

Some states require insurance producers to participate in anti-fraud training. AHS provides anti-fraud training material through <https://ngahagents.ngic.com/>. All producers are required to review this material in compliance with that state's requirement for insurer sponsored anti-fraud training.

### **Errors and Omissions Insurance**

Producers are required to maintain Errors and Omissions ("E&O") insurance in the minimum amount of \$1 million per occurrence. This insurance must cover your conduct as an insurance producer for AHS for all products except for Allstate Final Expense.

Producers must provide proof of this E&O coverage at time of appointment/contract for every person or entity to be appointed/contracted and must maintain this coverage while contracted with AHS, unless otherwise noted by AHS. Producers failing to maintain E&O coverage are subject to having their appointments and contracts terminated.

### **Notice of Changes to AHS Policies**

AHS may amend or supplement your producer agreement by field bulletin, letter, email, publication on a website maintained by AHS for insurance producers, or other appropriate official written communication. Your continuing relationship with AHS after transmission of such official written communication conclusively constitutes assent thereto. You are required to provide to AHS, and update as necessary, a current email address to which such official written communications may be sent. Failure to provide your current email address to AHS constitutes a waiver of your right to notice of such official written communication.

## **SALES SOLICITATION**

### **Adherence to Underwriting Guidelines**

State laws allow insurers to set appropriate underwriting standards, including type of underwriting (i.e., Guaranteed Issue during Open Enrollment, Accept/Reject, etc.) which may include different underwriting criteria for different products, as long as the underwriting standards are based on sound underwriting and actuarial principles related to actual or reasonably anticipated loss experience and are not contrary to law. Adherence to our published underwriting guidelines helps ensure we do not violate unfair discrimination laws.

AHS is committed to active, fair, and honest competition as best serving our customers. Toward that end, we provide our producers with competitive products and services and the tools to communicate the advantages and strengths of AHS. We expect our producers to serve our customers in a fair, honest, and knowledgeable way that best satisfies the customers' insurance needs and financial objectives.

### **Presentation of Product & Premium**

Product Presentation. Tying or bundling is an arrangement to sell one product or service on the condition that the buyer also purchases an additional product or service. Producers must not improperly tie the sale of AHS products to the sale of another product or service. Generally, customers may be offered the opportunity to purchase multiple products and services so long as they are not required to purchase an AHS product to be offered another product or service, or vice versa.

Many states prohibit use of specific words or terms when referring to certain insurance products. For example, some states prohibit the use of the words *bronze*, *silver*, *gold*, *platinum*, and the term *essential benefits* with supplemental health insurance products. Therefore, AHS products may not be sold using any customized product name.

Premium Presentation. In most states, premium for AHS products is regulated by the state insurance department and must always be disclosed to the customer. No charges may be incorporated into the premium for AHS products. Charges for other permissible products and services must be separately disclosed. Producers are prohibited from charging separate fees for the solicitation of insurance products or for existing insurance policies. These services may include, but are not limited to:

- mailing coverage documents,
- preparing correspondence and other clerical work, and
- assisting with claim submissions.

### **Representations to Applicants**

Special care must be exercised to ensure that your presentations are accurate, complete, and appropriate. All statements, both verbal and written, must comply with applicable laws and regulations. Remember to apply the Golden Rule in all your dealings with prospects and customers.

Always identify yourself. Never misrepresent yourself or your qualifications. If you claim to be an expert in an area, you must possess the necessary qualifications and certifications as required by the applicable laws and regulations, and/or governing organizations.

Do what is best for the customer. Recommend to customers only insurance products that you believe are in their best interest. Help customers identify their insurable needs or financial objectives and recommend products that help them meet those needs or objectives.

Know the products. It is the producer's responsibility to know and understand any product recommended and to relay this information to the client. Producers should be familiar with the product specifics pertinent to each client, such as costs, fees, expense structures, restrictions, waiting periods, and potential benefits. Knowing the product, its benefits, limits, and conditions is key to helping the applicant meet their insurance needs. For example, if underwriting for a product is Guaranteed Issue, this does not mean that pre-existing conditions will be covered. All other exclusions and limitations of the product also remain in effect. Maintain a thorough working knowledge of all insurance products that you present to customers. Consult your Sales Leader when in doubt and to acquire product information materials.

Non-Renewability. It is the producer's responsibility to know which products are non-renewable. For example, Short Term Medical insurance is non-renewable unless a Renewability rider was purchased at initial enrollment. Termination of the plan is not considered a qualifying event for the purposes of enrolling in an ACA-compliant major medical plan. If the plan holder chooses to purchase a new short term medical plan, a new application must be submitted. Any sickness or condition that was present before the effective date of the new plan will be considered a pre-existing condition, regardless of whether it was covered under the previous plan.

Be accurate in your presentation. When discussing our products, explain in detail their terms and conditions accurately and fairly. This includes making all relevant disclosures to a client including any required documents (e.g., state replacement forms, account applications, required disclosure forms). Never permit a prospect to be misled.

Comply with legal requirements. Keep informed of applicable laws and regulations and observe them in soliciting, selling, and servicing insurance.

Stay Positive. AHS encourages you to sell based on the strength and value of our products and service. Any statement, either written or oral, that is false, or maliciously critical of or derogatory to the financial condition of any insurer, and that is calculated to injure such insurer has no place in the selling of our products. Any statement about, or comparison regarding a competitor must be fair, honest, and complete. Do not engage in “competitor bashing” to promote any sale.

Take care with replacements. Replacing existing insurance is often not in the best interests of the customer. Be sure you know whether the customer plans to replace existing coverage and, if so, ensure the customer is provided the information they need to make a knowledgeable decision.

### **Sales Material**

Definition of Sales Material. Sales material includes all printed and published material, audiovisual material, brochures, seminar presentations, direct mail, newspaper ads, magazines, sales scripts, radio and TV scripts, web sites, Internet or Intranet communications, email and texting, and sales aids of all kinds for presentation to members of the insurance-buying public intended to promote AHS or any AHS product.

Rules for content and use of sales material. Producers may only use AHS produced and approved sales materials and techniques that are clear as to purpose and honest and fair as to content. Furthermore, sales material must be used consistent with the needs of the customer.

AHS-created sales material is available. All AHS approved sales materials that can be ordered online, produced through a custom request specific to certain enrollments, or for any other special requests, cannot be altered without prior approval from AHS.

Producer and employer created sales material must be approved by AHS. All sales material not provided by AHS must be approved by AHS prior to use. You should submit this material to your Sales Leader, so that they may coordinate a review and obtain necessary approvals from AHS. Approved sales materials cannot be altered without approval.

### **Best Interest Standard**

Insurance recommendations are to be governed by the best interests of the customer rather than the potentially competing financial incentives of the producer. Producers must exercise care in their communications with customers and are required to operate using basic fiduciary norms and standards of fair dealing; this includes, but is not limited to, a duty to fairly and accurately describe recommended products and services.

Producers must have reasonable grounds to support that a recommendation to purchase or exchange a life insurance product is in the best interest of the customer. Producers are required to:

- Comply with all state and company continuing education requirements, prior to soliciting any insurance business
- Make reasonable effort to obtain information containing the customer’s financial situation and objectives. These details, along with other relevant information, will provide a basis demonstrating that the recommendation is suitable
- Disclose all features of the recommended product
- Use sales tools (e.g., sales brochures) to help the customer determine if a recommendation meets their needs
- Compare the existing and proposed products prior to recommending a replacement
- Discuss the advantages and disadvantages of the recommendation
- Complete any required suitability forms
- Maintain all records of the information collected from the customer and other information used in making the recommendations for ten (10) years after the insurance transaction is completed by AHS

- Provide copies of additional suitability documentation from your customer files when requested by AHS

### **Taking the Application for Insurance**

Applications must be complete and on the correct form. Be sure all the information is recorded on the application. Since applications are filed forms approved by each state's insurance department, you must use the form approved in your state. Without complete information on the correct form, AHS cannot accept the application.

Applications must contain correct information. You may assist the applicant by reading the application questions and recording the answers. However, you must read the questions exactly as they appear on the application and record the answers exactly as provided by the applicant. Never paraphrase or summarize. Also, you must allow the applicant to read the application and the answers to confirm that all questions have been answered accurately.

Changes to applications must be initialed by the applicant and the producer. Care must be exercised in changing any information that is ascribed to the applicant. If information about the applicant or the coverage is altered (e.g., crossing out incorrect product selection), the change must be initialed and dated by the applicant and the producer.

Applications must be signed by the applicant. The applicant must sign the application for insurance. You may not sign on behalf of the applicant, even if asked to do so by the applicant. Sometimes, the proposed insured and policyholder are not the same person. In such cases, both may need to sign the application.

Member / Applicant Attestation. An insurance policy is a legal contract between the insurance company (the insurer) and the person(s), business, or entity being insured (the insured). Attestation is an agreement to the terms and conditions of the policy. Attestation is also the acknowledgment that the information provided on the insurance application is complete, true and accurate. The insured member / applicant purchasing accident and health and life products is required to sign an attestation and receipt of the signed attestation is required before the plan effective date in order to bind the policy. The insured member / applicant satisfies their attestation requirement either via written signature, voice signature, or E-signature. Producers are not parties to insurance contracts and have no authority to sign the attestations on the members' behalf. This authority cannot be granted orally or in writing, except through a legal power of attorney.

Never permit an applicant to sign an application to be completed later. The applicant may sign only after the application is completed. The applicant is responsible for the information contained in the application, and for the selection of the insurance products. This may not be delegated to the producer for completion later. Applications must bear the correct date. Applications may not be pre-dated or post-dated.

Sign only applications that you, personally, have solicited. By signing an application, you are attesting to taking of the application. Therefore, sign only applications that you have taken from the applicant. Never let someone else take an application for you.

Record only your agent number as the soliciting producer. In addition to signing applications you solicit, you must also record on the application your producer number. Never record another producer's number as the soliciting producer on applications that you solicit.

Never permit a person who is not a producer to take an application. State laws forbid unlicensed persons from acting as a producer. Assisting an applicant with completing an application for insurance is "acting as a producer." Know your state's requirements for point of sale and application-related forms. Many states require, as part of the solicitation process, the completion or distribution of forms such as compensation disclosure notices, replacement notices, and outlines of coverage.

Don't Make Underwriting Decisions. It is the sole responsibility of AHS to make underwriting decisions. No producer is authorized to make promises, give assurances to applicants about their insurability, or otherwise "bind coverage".

Conversely, producers should not refuse to complete applications. During the application process, you may learn that the applicant does not satisfy a condition for coverage (e.g., they do not work the required number of hours or have a serious health problem). You may advise the applicant of the underwriting requirement(s) and inquire whether they wish to continue with the application. However, do not state they are ineligible for coverage or refuse to submit their application. In some states, this may be considered an "adverse underwriting decision" requiring you to provide specific information on the reason(s) for their ineligibility and the applicant's rights regarding the use and retention of information shared during the application process. In such a case, complete the application if requested by the applicant, accurately recording the relevant information for underwriting purposes. AHS will then provide the necessary notice to the applicant of their ineligibility for coverage.

Premium Payment by Producer. You may pay premiums only for policies insuring yourself or immediate family. "Immediate family" means your spouse and dependent children only. Applications for insurance covering anyone other than you or your immediate family accompanied by initial premium payments drawn from your personal or agency's bank account will be returned without processing.

Electronic Applications and Signatures. AHS will only accept electronic applications and/or other documents with electronic signatures through an approved vendor, obtained in compliance with our established processes and procedures. Electronic signatures include any electronic sound, symbol, or process that demonstrates an individual's intent to sign an electronic document. This includes, but is not limited to, styluses, digital signature applications, click wraps, and other methods.

### **Submitting the Application**

Promptly submit all applications for insurance. Delay can adversely affect the right of AHS to underwrite the application and impose liability on AHS and you.

When submitting the application, provide AHS with any other information you have that may have a bearing on the underwriting process. This should include any information regarding the proposed insured's health, relevant circumstances, other coverages, or overall insurability. If you know or suspect that information being provided on the application is incorrect, incomplete, or suspicious, you are required to notify AHS. This can be communicated in a separate letter accompanying the application.

### **Replacement of Insurance**

The replacement of insurance coverage is often not in the best interests of the customer, and, therefore, is not encouraged by AHS. Replacement should be accomplished only when it is appropriate for the customer and then only after the customer is provided with the information they need to make an informed decision. As with all other legal requirements, specific state laws governing replacement must be followed.

### **Target Market**

AHS products are traditionally marketed directly to both individuals and families.

### **ERISA**

To the extent that the Employee Retirement Income Security Act of 1974 ("ERISA"), and the regulations issued pursuant to this law regulate, among other things, employer-sponsored health benefit plans, AHS products are designed so that they may be offered to individuals and families



within an employer group. Nothing in our products requires application of ERISA. Rather the extent to which ERISA applies is always determined by the actions of the employer in presenting and administering these products. If there are questions as to the applicability of ERISA, these questions should be directed to the Employer's group administrator.

### **Sales to Seniors**

Some states have adopted regulations that require special procedures relating to older applicants. Producers must be aware of the requirements applicable to their business, as specific requirements vary from state to state.

## **CUSTOMER FUNDS**

The unauthorized handling of customer funds is strictly prohibited.

### **Premium Payments**

ACH draft and Credit Card can be used for forms of payment for all AHS products, except for Medicare Supplement coverage, which enrolls on Direct bill with a paper application. The first Medicare Supplement premium check must be submitted with the paper application. Premium payments for Medicare Supplement coverage will be made via ACH draft or Direct Billing.

### **Policy Funds**

As our producer, you must never exercise control over a customer's assets, including policy values. Checks payable to a policyholder (other than a death benefit) are usually mailed directly to the policyholder. However, certain checks may be sent to you. If this occurs, you must promptly forward or deliver the check(s) to the appropriate recipient.

## **POLICY SERVICE**

### **Policy Delivery**

AHS delivers the policy packet directly to the policyholder via mail or electronically through our member portal, pending election by policyholder at the time of application. For Medicare Supplement coverage, the policyholder can also elect to have the policy packet delivered to their producer.

### **Policyholder Correspondence**

AHS delivers policyholder correspondence directly to the policyholder via our member portal if the policyholder opted in for electronic delivery. If a policyholder opted out of electronic delivery, AHS mails policyholder correspondence directly to the policyholder or to a third party/producer. For Short-Term Medical and Medicare Supplement products, a customer will receive notice both electronically, if the customer opted in for electronic delivery, and by mail if coverage is declined based on a prescription check after submission. Upon written request from the policyholder, though, AHS will direct correspondence (including premium notices) to a third party. However, AHS will not accept requests to send individual premium notices to the producer.

For Medicare Supplement policies where the customer opts in for Direct Billing, a generated invoice is mailed out and no electronic option is available.

### **Complaints**

AHS strives to make good faith efforts to resolve all customer complaints and disputes. Occasionally, this may require assistance from you.

As our producer, you may receive a customer complaint directly from the customer or from a regulatory body such as a state's insurance department. Examples of the type of complaints you might receive include those about the timing or amount of a claim payment, or lapse, or an

underwriting decision. These complaints may require a response from you, AHS, or both. Immediately report all such complaints to your Sales Leader and:

- [doi.complaints@ngic.com](mailto:doi.complaints@ngic.com) for complaints involving a regulatory body, or
- [ANHAllstateCorrespondence@allstate.com](mailto:ANHAllstateCorrespondence@allstate.com) for customer refund request, appeals, etc. not involving a regulatory body.

If the complaint comes from a regulatory body and requires a response from you, you must also respond to the regulatory body in a timely manner. Never respond to any complaint on behalf of AHS or make any statements on behalf of AHS. If you are asked by AHS to respond to the complaint, you must do so in accordance with the requirements communicated to you. Failure to cooperate timely with AHS may result in suspension of commission payments and/or termination of your producer agreement.

There also may be times when AHS requests a statement from you in order to review a complaint or inquiry from a customer. Those responses should be sent back to AHS within 48 business hours of the request.

## **Claims**

You may assist claimants with claim forms. You may assist claimants in filing their claims, such as by providing them the necessary forms and assisting with completing the documents. On occasion, you may be asked by AHS to provide information or assist in resolving a claim.

If you are sending a blank claim form to a customer but do not encrypt the email, you must clearly state that, for the protection of the customer's personal information, the form should not be emailed back unless the email is encrypted.

AHS understands it is impossible to stop a customer from sending an unencrypted email with Personally Identifiable Information ("PII") or Protected Health Information ("PHI"). However, this practice should be discouraged by only sending information securely to customers and encouraging them to reply via secure means. If you are sending a reply to a customer or prospective customer, even if it is just to say thank you, please confirm any PII/PHI in the email chain has been removed.

You must promptly report all claims. If a claimant delivers a claim form to you, promptly submit it to the AHS Claim Department. Under no circumstances shall PII or PHI be transmitted electronically if it is unencrypted. Insurance policies often have time requirements for submitting claims. Failure to timely submit a claim may result in its denial. Also, laws require AHS to respond to claims in a timely manner.

You may not evaluate or investigate a claim. You must never assure a claimant of the outcome of any claim. As our producer, you may not attempt to interpret or give opinions concerning claim matters, or to assist a claimant in challenging a claim decision. If you believe a claim decision should be reconsidered, you should review the matter with AHS Claim Department personnel to assure all relevant information has been evaluated.

Even if you do not believe there is coverage, allow the claimant to submit the claim so that AHS can make the decision. If you are aware of facts that may help in adjudicating the claim, advise the Claim Department.

Claim information is confidential. Please remember that pursuant to the Health Insurance Portability and Accountability Act of 1996, information about a claim, including claim status, is categorized as PHI. As a business associate of AHS, you are permitted to receive only the minimum PHI necessary to perform duties on behalf of AHS. You are required to safeguard PHI in accordance with the terms of the Business Associate Agreement. Please be considerate of this in your dealings with Claim Department personnel.

## COMPENSATION

### No Rebating

Most states prohibit insurers and producers from paying commissions or other compensation to non-producers for insurance sales. In these states, it is illegal for you to share, or rebate, part of your commission with anyone other than licensed and appointed AHS producers.

### Compensation Calculation

You are paid commissions on premiums paid in cash to AHS on insurance policies issued pursuant to applications procured either (i) by you, or (ii) by another producer who allocates a share of the premium credit to you. To procure workplace business, you must also (i) be recognized, and designated in writing, by the payroll account (or, in the case of group insurance, by the group policyholder) to be the producer of record for the workplace business, and (ii) service the workplace business to the satisfaction of AHS and/or the payroll account (or group policyholder) as determined by AHS.

Typically, compensation is calculated based upon your commission level(s) as reflected in your producer agreement(s), using the Commission Schedule in effect at the time the business is produced, and AHS rules. However, your compensation may be calculated differently when you are paid pursuant to a valid written agreement with AHS for an account or product specific exception.

Compensation is categorized as first year commissions and renewal commissions.

First Year Commissions are paid on insurance premium that is both:

- applied to the policy's first twelve (12) months of coverage and
- received and processed by AHS during the fourteen (14) months immediately following the policy's date of issue.

Renewal Commissions are paid on the following:

- Year 2 – 10 coverage—when the insurance premium is both:
  - applied to policy years two (2) through ten (10) and
  - received and processed by AHS less than eleven (11) years after the policy's date of issue.

### Compensation on Premium Rate Increases

Unless otherwise specifically communicated by AHS, no compensation is paid to producers on premium rate increases.

### Compensation Offsets

AHS may, at any time, offset against any compensation due you from any affiliates of The Allstate Corporation (to include AHS) any debt owed by you to any affiliate of The Allstate Corporation (to include AHS), and such debt shall be a first lien on any such compensation. As to debts you owe to AHS, AHS shall have the right to determine to which indebtedness any payment made by you, whether offset or otherwise, shall be applied.

## ADHERENCE TO ADVERTISING GUIDELINES

### Allstate and AHS Name and Logo

The Allstate name and logo, and that of its divisions, such as AHS, are invaluable marketing resources available to you as an insurance professional for AHS. Because of their value and importance, we require all our valued producers to respect the proper use of these important assets.

You may not use any Allstate brand name and/or logo without express permission from AHS Marketing Department.

Please note, if you are appointed with an Allstate affiliate in addition to AHS, you should consult that affiliate for their rules regarding the proper use of its corporate and marketing names and logos.

### **Business Cards & Letterhead**

AHS does not provide, nor permit its independent producers to use, business cards containing the Allstate name or logos. To maintain consistent use of Allstate marketing identities, all producers are strictly forbidden from printing their own business cards or letterhead (to include fax coversheets) containing any Allstate name or logo.

### **Advertising/Marketing Material**

Printed Sales Material. AHS provides producers with a wide variety of marketing materials containing the Allstate name and logo that can be ordered through regular supply channels.

You may not use Allstate brand names and/or logos, or reference the AHS products, on sales and marketing materials you develop.

Internet/Intranet. As with printed sales material, any reference to Allstate, its affiliates and marketing names (to include AHS), or its products must be approved by the AHS Marketing Department prior to use.

The use of an Allstate brand name and/or logo, its affiliates and/or marketing names (to include AHS), on producer websites are not permitted.

Producers may not create content on behalf of AHS or use the AHS brand on any social media sites. Producers may share content created on the AHS social media platforms. Do not use Allstate's name, logo or trademarks in the names, profile or cover photos on Facebook, Twitter, or any other social media accounts. Only the Social Media Center of Excellence is permitted to create Allstate-affiliated social media accounts.

Telephone Protocol. Producers are not authorized by AHS to identify their offices by using Allstate name and/or brand, its affiliates and/or marketing names (to include AHS). However, producers appointed with an Allstate affiliate, other than AHS, should consult with that affiliate for their rules regarding telephone protocol.

Signage. AHS does not authorize producers to use any name or logo of Allstate, or of its affiliates, on permanent signage. However, producers appointed with Allstate affiliates other than AHS should consult that affiliate for their rules regarding signage. With prior permission, producers may use the AHS logo on temporary signage (e.g., trade show banners, enrollment banners, etc.). To submit a request for approval, go to [AHS Signage Approval Request Form](#).

## **PRIVACY AND SECURITY RESPONSIBILITIES**

AHS is committed to maintaining the accuracy, confidentiality, security, and privacy of personal information of any individual with whom AHS has a business relationship. Any inappropriate or unauthorized access, misuse or disclosure of personal information may result in action up to and including termination of your producer agreement, criminal, and/or civil action.

When collecting, processing, viewing, transmitting, storing, or destroying personal information, authorized users must adhere to all procedures put in place to protect this data. This includes, but is not limited to, using the data only for business purposes and disclosing data only as required by law or to those with a valid business need to know.

Agencies are responsible for developing, implementing, and evaluating ongoing privacy education and awareness for all their employees, including temporary and contract workers. Privacy education and awareness should be conducted at least once every year.

### **Gramm-Leach-Bliley Act of 1999 (“GLB”)**

GLB, and similar state laws, create privacy protections for customers who have business dealings with financial institutions, which include insurance companies. These laws require financial institutions to protect nonpublic personal information and to inform customers about their policies for collecting and disclosing nonpublic personal information.

At policy issue, and annually as required by state law, AHS distributes a GLB Privacy Policy Notice, informing customers of AHS’s privacy practices. Customer questions about this notice or AHS’s privacy practices should be directed to AHS at [ABAHPrivacy@allstate.com](mailto:ABAHPrivacy@allstate.com).

### **Health Insurance Portability and Accountability Act of 1996 (“HIPAA”)**

Regulations issued by the Department of Health and Human Services pursuant to HIPAA impose, among other things, requirements for the use and disclosure of PHI. As underwriters of health insurance products, these regulations apply to AHS.

Our producers, who are considered “business associates” under the regulations, share with AHS responsibility for compliance with these requirements. A business associate is a person or entity who performs or assists in performing a function or activity that involves the use or disclosure of PHI. Business associates must comply with the administrative, physical, and technical safeguards for electronic PHI under the HIPAA Security Rule in the same manner as AHS is required to comply. Business associates must develop and establish a written data security program for electronic PHI that complies with the HIPAA Security Rule. Additionally, Business associates must comply with the restrictions on use and disclosure of PHI contained in the HIPAA Privacy Rule.

The regulations further require that the agreements we have with our producers contain language specifying this compliance. When a policy is issued, AHS distributes a HIPAA Notice of Privacy Practices informing health insurance policyholders of AHS’s privacy practices. AHS also notifies health insurance policyholders every three (3) years of the availability of the privacy notice and how it may be obtained. Customer questions about this notice or AHS’s privacy practices should be directed to AHS at [ABAHPrivacy@allstate.com](mailto:ABAHPrivacy@allstate.com).

For additional information about your obligations to protect PHI as a business associate, please see Code of Federal Regulations Title 45, section 164.502.

### **Producer Responsibilities**

To help ensure AHS compliance with HIPAA, GLB, and state privacy law requirements, all producers must comply with the following:

- Collect only the amount of personal information which is reasonably necessary to complete the legitimate business transaction for which it is collected;
- Use Confidential Information only for the purpose for which it was disclosed and only to carry out the provisions of your producer agreement;
- Do not disclose Confidential Information to third parties unless necessary to meet obligations under your producer agreement, and then only to a third party similarly bound by the same privacy standards;
- Adhere to the “Principle of Least Privilege” which means that authorized users must only be able to see the personal information required to perform their job function. Any personal information not required to perform a job function must be omitted or truncated;
- Continue to treat Confidential Information in this manner even after termination of your producer agreement; and

- Comply with all applicable privacy laws and regulations, and AHS policies and procedures regarding Confidential Information.

“Confidential Information” includes all PII and PHI about a person that:

- A person provides to obtain AHS insurance;
- Results from an AHS insurance transaction; and/or
- Is otherwise obtained in connection with providing AHS insurance.

Examples of Confidential Information include, but are not limited to: names, addresses, and dates of birth relating to any person; types of policies; amounts of insurance; premium amounts; policy renewal dates; policyholder listings, claim information; any policyholder information subject to any privacy law; and information identified by AHS as confidential.

### **Storage of Personal Information**

Personal information must be properly managed and retained. This means authorized users must:

- Only retain any paper or electronic data that contain personal information for the minimum time limit deemed necessary for the business purpose or as required by law.
- Maintain documents, files, and records that contain personal information in a locked and secure manner to avoid access by unauthorized persons. For example, file cabinets must be locked when not in use and computers must be password protected with access given only to authorized users.
- Comply with special records retention exceptions, including but not limited to litigation holds and regulatory requirements.

### **Recording Telephone Conversations**

Recording telephone conversations may be a part of an agency business process; however, care must be taken to ensure that a legally compliant process is implemented. Laws which relate to the recording of telephone conversations vary from state to state. Some state laws require both parties to the conversation to consent; others require only one party to consent. Consider consulting with a qualified legal advisor to determine if this process is appropriate for your agency.

### **Termination of Employment of Individuals Working on Behalf of an Agency**

Access rights of an authorized user to AHS data, systems, and facilities must be removed upon termination of the user’s employment, contract, or affiliation, or adjusted upon changes to the function being conducted on behalf of the agency. This means that agencies must:

- Immediately deactivate terminated users’ usernames and passwords to prevent access to any AHS information or systems,
- Remove terminated users’ access to any AHS information or systems, and
- Notify AHS at [NGAHLicenseCommission@ngic.com](mailto:NGAHLicenseCommission@ngic.com).

### **Security Requirements for Vendors**

Producers, as independent contractors, are solely responsible for any agreement entered into for goods or services on behalf of their agency. AHS does not review or approve agreements for goods and services procured by an agency. When entering into an agreement that could potentially involve the use, transmission, or storage of AHS personal information, or could affect your ability to comply with these requirements, you are required to ensure that vendors handle this information and provide services in accordance with your obligation to comply with the law and the proper handling, protection, and security of this information as set forth in the Privacy and Security Responsibilities section of this Policy.

Agencies must verify that any third-party vendor or service provider selected and retained by the agency and with access to personal information has the capability to maintain appropriate security measures to protect the information consistent with state and federal laws and regulations.

Agencies must also verify that any third-party vendor or service provider selected and retained by the agency provides services in a manner that is compliant with state and/or federal laws and regulations. This includes but is not limited to vendors that provide cleaning services, temporary employees, telephone, internet, leads and other products and services which are used by agencies to conduct business on behalf of AHS. Before sharing any personal information with a vendor, the agency must verify that the vendor has a security program in place which complies with the policies set forth in the previous subsection "Storage of Personal Information". The vendor must be contractually required to comply with these policies and adequately safeguard personal information.

### **USA PATRIOT Act**

In 2001, the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 ("the USA PATRIOT Act") was passed with a purpose of providing a more comprehensive system against the fight against money laundering. Among other things, it requires that all entities defined as financial institutions for Bank Secrecy Act ("BSA") purposes establish and implement an Anti-Money Laundering program. As a financial institution, the USA PATRIOT Act applies to AHS and its producers. Producers play an important role in the prevention of money laundering.

The regulations require the Anti-Money Laundering ("AML") Program to have at minimum the following four (4) elements:

- Appointment of an AML Compliance Officer;
- Implementation of policies, procedures and internal controls;
- Ongoing training of appropriate persons on their responsibilities under the Program; and
- Independent testing to monitor and maintain an adequate program.

The USA PATRIOT Act also requires the implementation of procedures for determining whether the person opening an account appears on any lists of known or suspected terrorist or terrorist organizations provided to the financial institution by any government agency.

Remember, it is your responsibility to report any unusual or suspicious activity. To report suspicious activity:

- Call the Allstate Financial Compliance Hotline at (866) 635-7100, or
- Submit an email to [AFSuspect@allstate.com](mailto:AFSuspect@allstate.com).

### **COMPLIANCE WITH CUSTOMER AND PROSPECT CONTACT RULES AND REGULATIONS**

When representing AHS, producers must comply with the Allstate Do Not Call Policy, Allstate Texting Policy, and all applicable state and federal laws and regulations that give customers a choice about whether they want to receive solicitations and other contacts by telephone, fax, text, and email. In particular, producers must adhere to the Federal Communications Commission's ("FCC") Telephone Consumer Protection Act ("TCPA") which restricts unwanted calls, text messages and faxes. Unwanted calls, including robocalls and telemarketing calls, are consistently top consumer complaints the FCC receives each year. The TCPA places restrictions on the use of automatic dialing systems to wireless numbers (including VOIP numbers), artificial or prerecorded voice messages to wireless and landline numbers, text messages and faxes, without requisite consent.

Producers are strictly prohibited from utilizing fax transmissions to solicit customers or prospects via their residential or business fax numbers to purchase products or services through AHS. This prohibition exists regardless of whether a producer has obtained the recipient's prior consent.

Producers are prohibited from using the name, logo, or trademark of AHS or any Allstate affiliate or subsidiary to identify themselves or their agency when contacting customers or prospects,

unless approval is given in writing, and then only during the time of your producer agreement. If any provision of this Policy conflicts with the Allstate Do Not Call Policy, the more restrictive standard must be applied.

Non-compliance with the TCPA may put your agency and AHS at risk for significant fines and penalties. Agency owners are subject to fines from \$500-\$1500 per violation under the TCPA (with no cap on damages). Additional financial penalties exist under other federal and state rules and regulations as well as through individual or class action litigation. AHS has adopted a zero-tolerance policy with respect to TCPA violations and any non-compliance may result in action up to and including termination of your producer agreement.

Customer and prospect contact rules and regulations are subject to change at any time. AHS will continue to make every effort to keep producers informed of these changes. However, you are ultimately responsible for ensuring that telephone calls, texts, and emails sent by your agency, or any outside vendor on your behalf, comply with applicable federal and state laws and AHS corporate policies.

### **Texting Policy**

Text messages (e.g., SMS, MMS) are considered calls to wireless (mobile phone) numbers under federal and most state telemarketing laws. AHS follows the Allstate Texting Policy ("Texting Policy") and requires all its producers to follow this Texting Policy.

Text messages may not be used in any manner that violates other Allstate policies and/or applicable federal or state laws, including those regulating advertising, PII, text message retention, telemarketing and/or marketing to children. The requirements in this Policy apply to all methods of sending text messages to wireless phone numbers (e.g., short code, text broadcast technologies, peer-to-peer, emailing a message to a mobile number).

Please refer to the attached Allstate Texting Policy, for all requirements.

### **CAN SPAM Act**

The Controlling the Assault of Non-Solicited Pornography and Marketing Act of 2003 ("the CAN-SPAM Act") places restrictions on "commercial electronic mail messages" or commercial emails. A commercial email is an email in which the primary purpose is the commercial advertisement or promotion of AHS and/or its products, services, or website.

Producers have no authority to send commercial emails, as defined by the CAN-SPAM Act, on behalf of AHS. Producers may, however, send commercial emails in promoting their own agency. As with all laws and regulations, though, AHS requires producers engaging in such activity to comply with the requirements of the CAN-SPAM Act and other controlling laws. Further, any such commercial emails describing AHS, or its products must be approved by the AHS Product Compliance Department as sales material. AHS review and approval of such material will be limited to compliance with company market conduct policies and will not be interpreted as any type of approval to transmit commercial emails on behalf of AHS nor as a review for compliance with federal or state requirements affecting commercial emails.

### **Do Not Call Registry**

Effective October 1, 2003, the National DNC Registry was implemented through the Federal Trade Commission and the Federal Communications Commission. These rules:

- Prohibit telephone solicitation to consumer's numbers that are registered with the National DNC Registry, and
- Require those engaged in telephone solicitation to maintain a list of persons who request not to receive calls made by or on behalf of the telemarketer.



Significant fines and penalties can be assessed against violators. In addition, many states maintain their own Do Not Call rules, which remain in effect, and which provide for additional fines. These federal and state rules apply to insurance companies and their producers.

As an AHS producer, you are required to comply with the attached Allstate Do Not Call Policy, which is an attachment to this Producer Compliance Policy.

### **VIOLATIONS**

Violations of this Policy, and/or its attachments, may result in sanctions, including termination of your appointment and contract with AHS.

All producers are encouraged to report violations to AHS by informing your Sales Leader, the AHS Marketing Department, or AHS Regulatory Compliance Department.

### **COMMENTS & QUESTIONS**

AHS has established a system of supervision and review to help achieve compliance with these principles and policies that includes:

- policies and procedures designed to comply and monitor compliance,
- supervision of our market activities to monitor compliance, and
- compliance training for employees and producers.

AHS seeks to constantly improve our sales and marketing practices. Your suggestions and comments are integral to this and are always welcomed. Please contact your Sales Leader, Marketing, or the AHS Regulatory Compliance Department if you have any questions.

### **ATTACHMENTS**

1. Allstate Do Not Call Policy
2. Allstate Texting Policy
3. Allstate Health Solutions Anti-Money Laundering Communication



## DO NOT CALL POLICY

### **Purpose:**

To help ensure that all employees or agents of Allstate Insurance Company and all its affiliates and subsidiaries (hereinafter, collectively "Allstate")<sup>1</sup> comply with the Telephone Consumer Protection Act ("TCPA") and all applicable federal and state laws and regulations as they apply to telephone calls and text messages.

### **Scope:**

This Do Not Call Policy ("Policy") is applicable to all employees and agents of Allstate. In addition to calls made to consumers (e.g., current, former and prospective customers' personal wireless and landline numbers), this Policy also applies to business-to-business calls (e.g., telemarketing for commercial policy prospecting efforts, agency recruiting calls) which are subject to certain Federal Communications Commission (FCC) rules.

### **Policy:**

1. Each entity shall maintain an up-to-date, company-specific Do Not Call ("DNC") list.
2. Do not use an Automatic Telephone Dialing System ("ATDS") or use any prerecorded or artificial voice message for sales/solicitation purposes, unless you have Prior Express Written Consent ("PEWC") from each individual who is to receive the call/message/text, regardless of whether this individual is a current, former, or prospective customer. Do not use an ATDS or use any prerecorded or artificial voice message for service/informational purposes, unless you have Prior Express Consent ("PEC") from each individual who is to receive the call/message/text regardless of whether this individual is a current, former, or prospective customer. (**Note:** Individual states may have other consent requirements and other definitions of automated calls.)
  - a. Allstate prohibits its agents from placing calls using any form of artificial voice or prerecorded messages (including use of ringless/direct-to-voicemail technology), whether for sales or service/informational purposes. This prohibition applies regardless of whether an agent has obtained the recipient's prior express written consent.
  - b. A customer or consumer may revoke their consent to receive calls or text messages on their wireless or VoIP number at any time and by any reasonable means. Wireless and VoIP numbers should be scrubbed against your company-specific DNC list to determine if consent has been revoked or if a phone number has been added to your company-specific DNC list.
3. Do not initiate a telephone call or text message to phone numbers listed on the National Do Not Call Registry for the purpose of encouraging the purchase of products or services, unless you have PEWC from the individual who is to receive the call/message/text, or the individual has engaged in a transaction with your company within the previous eighteen (18) months or made an inquiry about a product or service within the previous three (3) months. This inquiry or transaction must be properly documented in the consumer or customer file. (**Note:** Individual states may have their own DNC lists that need to be scrubbed against prior to making any telephone call or text message for sales/solicitation purposes. Exceptions to state DNC lists may be more restrictive and may have shorter time periods for transaction and inquiry exceptions.)

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<sup>1</sup> Limited exceptions to certain portions of this Policy may be requested by a particular Allstate affiliate/subsidiary where circumstances warrant it by reaching out to the Law & Regulation Department.

4. Do not initiate a telephone call or text message to phone numbers listed on your company-specific DNC list for the purpose of encouraging the purchase of products or services, unless a prospective or current customer has made an inquiry about a product or service, after the DNC request was made, as evidenced by an express written invitation or consent to call the person and phone number. The inquiry must be properly documented in the consumer or customer file.

It is permissible to reply to an inquiry by returning a phone call to the consumer or customer within three (3) months of the initial inquiry date; however, the number should be scrubbed at least every ten business days following the initial inquiry to identify a possible new DNC request<sup>2</sup>. If calling pursuant to an inquiry, documentation for the consumer or customer inquiry should include the phone number to which calls will be placed and the date consent was granted. (**Note:** Individual states may have more restrictive requirements in regard to an inquiry about a product or service.)

5. When making a call for the purpose of encouraging the purchase of products or services (a “telephone solicitation”), provide the called party with the name of the individual making the call, the name of the person or business on whose behalf the call is being made, the purpose of the call, the products or services that are the subject of the call, and a telephone number or address at which the person or business may be contacted. The telephone number provided may not be a 900 number or any other number for which charges exceed local or long-distance transmission charges. (**Note:** Individual states may have more requirements for caller identification, such as providing both first and last names of the caller to the called party, providing the business address, and/or requiring the caller to ask the called party at the beginning of the call if they want their number/numbers to be added to the company’s DNC list.)
6. Do not make telephone solicitations before 8:00 AM or after 9:00 PM local time of the called party. (**Note:** Individual states may have more restrictive limitations on when solicitation telephone calls are permissible.)
7. Discontinue a telephone solicitation if the person being solicited states that he/she is not interested in the solicitation at any time during the telephone call. (**Note:** Individual states may have other requirements, such as requiring the call be ended within a specified number of seconds.)
8. When a consumer or customer states that they do not wish to receive any future telephone calls from you/your company:
  - (a) Acknowledge the person’s DNC request and indicate that your company will take steps to comply with it.
  - (b) Inform the individual that:
    - i. It may take up to ten (10)<sup>3</sup> business days before your company’s system records are updated. Also, inform the individual that if a change in telephone number should occur, the person should contact your company if he/she wants the new number to be put on your company-specific DNC list; **and**
    - ii. Numbers do not remain on company-specific DNC list(s) indefinitely unless required by law; Allstate honors DNC requests for the length of time pursuant to federal and state laws and regulations (e.g., five years from the date the request is made per federal requirements; ten years per some state requirements).
  - (c) Within one (1) business day from the date of the request, process the DNC request via the Allstate approved methods. All information must be accurate and complete.

(**Note:** Individual states may require that **all** numbers associated with the person may not be called again when they make a DNC request even if the person does not provide all their phone numbers when making the request.)

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<sup>2</sup> The requirement to process Do Not Call requests within 10 business days will likely take effect by August, 2024. The current rule requires processing Do Not Call requests within no more than 30 days. This policy reflects the new requirement but contemplates that businesses will achieve compliance by the new rule’s official effective date.

<sup>3</sup> See footnote 2.

9. Take the following actions for all apparent reassigned telephone numbers: Add the number to your company-specific DNC list within one (1) business day when there is a reasonable belief the number has changed or been disconnected (e.g., a recording states the call failed due to number change or disconnection, or the caller hears "fast busy" or triple tones) or when it appears the number has been reassigned from the consumer or customer to a new individual (e.g., call recipient reports caller reached the wrong number). Update other customer and consumer records accordingly.
10. Ensure all persons engaged in both outbound and inbound call activities on behalf of Allstate are educated on the Allstate DNC Policy, including the requirements to maintain your company-specific DNC list and scrub against the Federal, state, and/or your company-specific DNC list (where applicable).
11. Text messages, such as short message service (SMS), are considered calls to wireless (mobile phone) numbers; therefore, text messages containing solicitations may not be sent without PEWC. Informational and service-related text messages may not be sent without PEC. See the Allstate Corporate Texting Policy for all requirements, including opt-in consent requirements and texting provider requirements.
12. Only specific, Corporate-approved and executed **prerecorded messages** are permitted. All prerecorded telephone messages, whether to wireless and VoIP numbers or landline phone numbers, must adhere to the following requirements:
  - a. **Prospects:** Prerecorded messages are not permitted to be placed, at any time, without PEWC from the person being called.
  - b. **Existing Customers:**
    - i. Prerecorded **solicitation messages** require the PEWC of the recipient to receive such calls.
    - ii. Prerecorded **service and/or informational messages** require the PEC of the recipient to receive such messages.
  - c. Allow the individual's telephone to ring for at least fifteen (15) seconds or four (4) rings before an unanswered call is disconnected.
  - d. Begin the prerecorded message within two (2) seconds of the greeting of the person called.
  - e. A consumer or customer may revoke their consent to receive artificial voice or prerecorded calls at any time and by any reasonable means. All wireless and landline numbers should be scrubbed against your company-specific DNC list to determine if consent has been revoked or if a phone number has been added to your company-specific DNC list.
  - f. Use of ringless/direct-to-voicemail technology is not permitted.
13. Do not use an ATDS in such a way that two or more telephone lines of a multi-line business are engaged at the same time.
14. If using an ATDS, disconnect the device within five (5) seconds of the termination of the call by the person being called.
15. Do not block Caller ID.
16. Any person that engages in placing telephone calls must transmit Caller ID information, which includes either the Calling Party Number (CPN) or Automatic Number Identification (ANI), and when available by the telephone carrier, the name of the person, business or entity that engages in placing calls. The telephone number provided must permit individuals to make a DNC request during regular business hours. (**Note:** Individual states may have other Caller ID requirements.)
17. When making telephone calls, ensure that all calls are not disconnected prior to fifteen (15) seconds or four (4) rings.

18. When making telephone calls using an automated or predictive dialer, no more than three percent (3%) of calls answered by a consumer can be “abandoned”, as measured over a 30-day period. A call is abandoned if it is not connected to a live person within two (2) seconds of the called person’s completed greeting. Records (e.g., dialer reports) must be maintained to document compliance.
  - a. Whenever a live person is not available to speak with the person answering a solicitation call, that person must receive, within two (2) seconds after the called person’s completed greeting, a prerecorded identification message that only states the name and telephone number of the business, entity or other individual on whose behalf the call was placed and that the call was for “telemarketing purposes only”.
  - b. The telephone number provided may not be a 900 number or any other number for which charges exceed local or long-distance transmission charges; and must permit an individual to make a DNC request during regular business hours.
  - c. There must be an automated, interactive voice and/or key press activated opt-out mechanism that enables the called person to make a DNC request during the duration of the abandoned call message. The mechanism must automatically add the called person’s number to your company-specific-DNC list, and then immediately terminate the call. This is required for all abandoned call recorded messages for telemarketing sales calls, whether placed to prospects or customers, and for calls to residential phone lines as well as wireless numbers.
19. Do not make telephone calls to any:
  - a. Emergency telephone line, including any 911 line and any emergency line of a hospital, medical physician or service office, health care facility, poison control center, or fire protection, or law enforcement agency; or
  - b. Telephone line of any guest room or patient room of a hospital, health care facility, elderly home or similar establishment.
20. It is strictly prohibited to utilize fax transmissions to solicit customers or prospects via their residential or business fax numbers to purchase products or services through Allstate. This prohibition exists regardless of whether an agency or producer has obtained the recipient’s prior express written consent.
21. Upon request from a consumer or customer, provide a copy of Allstate’s Do Not Call Policy and document that the policy was provided.
22. **Record Retention Requirements (60 months):** Call records pertaining to outbound calls (sales or service) should be retained for **a minimum of five years**. This includes records of prior express written consent, where applicable.



## TEXTING POLICY

### I. INTRODUCTION AND SUMMARY

The Allstate Corporate Texting Policy (“Policy”) sets forth the policies adopted by all employees or agents of Allstate Insurance Company and all its affiliates and subsidiaries (hereinafter, collectively “Allstate”)<sup>1</sup> related to the use of text messages (e.g., SMS, MMS) to contact customers or prospects (collectively “consumers”) for solicitation and non-solicitation (service) purposes unless a superseding company policy exists. The purpose of the Policy is to facilitate compliance with various federal and state laws.

- A. The Policy applies to Allstate’s employees, agencies and third parties that market, sell or otherwise solicit Allstate products or services, regardless of whether the third party is acting directly on behalf of Allstate or as an independent contractor. The Policy applies to text messages sent to both individual consumers and businesses. The Policy also applies to Allstate Financial Services, LLC’s (“AFS”) Personal Financial Representatives (“PFRs”).
1. Allstate prohibits the use of texting providers that do not have a contract with Allstate specifically authorizing texting services. Agency owners and Exclusive Financial Specialists must use the texting provider prescribed by Allstate.
  2. PFRs are prohibited from including attachments (photos, forms, etc.) in text messages and may not accept or execute trade instructions via text messages.
  3. The use of text to solicit or transmit restricted personal identifiable information (“PII”) or protected health information (“PHI”) is strictly prohibited. Do not request or solicit restricted personal information via text (this includes written information or photo images that reveal Social Security numbers, credit or debit card information, bank account information, driver’s license numbers or other government issued IDs, dates of birth, or tax ID numbers).

Text messages are viewed the same way as calls to wireless (mobile phone) numbers under federal and most state telemarketing laws. Therefore, the requirements outlined in this Policy are meant to supplement, rather than replace, those set forth in the Allstate Corporate Do Not Call (“DNC”) Policy. In the event that any provision of this Policy conflicts with Allstate’s DNC Policy, the more restrictive standard must be applied.

Text messages may not be used in any manner that violates other Allstate policies and/or applicable federal or state laws, including those regulating advertising, PII, text message retention, FINRA, telemarketing and/or marketing to children.

The requirements in this Policy apply to all methods of sending text messages to wireless phone numbers (e.g., short code, text broadcast technologies, peer-to-peer, long code/standard 10-digit phone numbers, emailing a message to a mobile number).

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<sup>1</sup> Limited exceptions to certain portions of this Policy may be requested by a particular Allstate affiliate/subsidiary where circumstances warrant it by reaching out to the Law & Regulation Department.

## II. TEXT MESSAGE REQUIREMENTS

Text messages shall not be sent to mobile numbers of individuals or businesses for solicitation or non-solicitation (service) purposes unless the following requirements are met:

- A. **Opt-In:** Text messages may only be sent to mobile numbers of consumers that have consented to receive such messages from or on behalf of Allstate. All forms of opt-in must meet the consent requirements set forth under the Telephone Consumer Protection Act (“TCPA”) and related regulations issued by the Federal Communication Commission.
1. Opt-ins are required except in the case of a one-time text message sent in response to a consumer’s express request for information. Any such text must be a one-time only message, sent immediately in response to the specific consumer request, and it must contain only the information requested by the consumer with no other marketing or advertising information.
  2. **Consent Requirements:** (1) All text messages containing solicitations (sales) may not be sent without prior express **written** consent of the consumer; (2) All informational (service-related) text messages require prior express consent.
    - a. **Prior Express Written Consent Disclosures:** If solicitations or marketing content will be sent, the text message must contain language providing that
      - Enrollment authorizes the delivery of autodialed marketing messages.
      - Enrollment constitutes agreement to receive texts at the telephone number designated.
      - Consent is not a condition of purchase.
      - Consent can be revoked at any time.
    - b. While prior express written consent disclosures are required for solicitations and marketing content, **it is strongly recommended to always include these disclosures where practicable**, even for service-related text messages.
  3. **Scope of Consent:** The text messages sent to each consumer’s mobile number must be within the scope of consent provided to Allstate. Opt-ins are program-, campaign- or agency-specific and cannot be transferred to another program, campaign or agency. For example, if Allstate obtains consent for service-related texts, such consent is not sufficient to send the consumer a solicitation text. Do not send more messages than the consumer consented to receive.
  4. **Affiliated Entities:** Consent provided to a third party, including an affiliate of Allstate, may not apply to Allstate without the approval of Allstate. No texts may be sent to a consumer’s mobile number unless consent for such texts has been provided to Allstate. Similarly, consent provided to Allstate may not be sufficient for text campaigns conducted on behalf of an affiliated entity.
  5. **Call-to-Action for Text Campaigns:** All communications with consumers that promote a text campaign must comply with advertising laws and must meet the following rules:
    - a. **Call-to-Action:** The Call-to-Action must
      - Provide a program description (e.g., who will send the texts, the type of messages that will be sent).

- Include a link to the full terms and conditions of the program or list the terms in full.
  - Include a link to the privacy policy.
  - Provide an approximate message frequency for recurring programs (e.g., weekly, periodic, frequency varies); do not use restrictive limits or terms (e.g., exactly, “up to,” maximum).
  - State that “Msg&Data Rates May Apply.”
  - Include opt-out instructions including “STOP” keyword (e.g., “Text STOP to stop”).
- b. **Prior Express Written Consent Disclosures:** If solicitations or marketing content will be sent, the text message must contain language providing that
- Enrollment authorizes the delivery of autodialed marketing messages.
  - Enrollment constitutes agreement to receive texts at the telephone number designated.
  - Consent is not a condition of purchase.
  - Consent can be revoked at any time.
6. **Opt-In Confirmation for Recurring Program:** Allstate shall send a text to each consumer’s mobile number that has been opted into a program or campaign to confirm the receipt of the consumer’s opt-in. This text shall:
- a. Identify Allstate as the sponsor of the text program or contain a description of the program.
  - b. Disclose that “Msg&Data Rates May Apply.”
  - c. Disclose recurring messages.
  - d. Provide customer care contact information (e.g., “HELP instructions”).
  - e. Provide opt-out instructions (e.g., “Text STOP to stop”).
7. **Opt-In Double Confirmation When Subscriber to Recurring Program Did Not Opt-in Using Their Cell Phone Handset:** A double opt-in confirmation process must be used instead of the Opt-in Confirmation above when the consumer has not opted-in using his/her cell phone handset (e.g., opted in using an online form) in order to limit risks associated with invalid consent (e.g., when a consumer intentionally or mistakenly enters a wrong number into an online form). A text shall be sent to the subscriber’s mobile number to confirm his/her opt-in after an opt-in request has been received. The text should:
- a. Identify Allstate as the sponsor of the text program and/or contain a description of the program.
  - b. Request an affirmative response from the consumer’s mobile number to confirm the opt-in.
  - c. Include a link to the Terms and Conditions.
- NOTE:** To seek waiver of Opt-In Double Confirmation, legal approval is required.
8. **Terms and Conditions Content:** All campaigns should be conducted in accordance with Allstate’s terms and conditions and those specific to each campaign. Each campaign should have terms and conditions. The campaign-specific terms and conditions must include, at a minimum, the following:



- a. Information regarding the campaign, including company name and type of texts that will be sent.
  - b. Approximate frequency of messaging (one-time standard rate texts exempt).
  - c. Opt-out instructions: "Text STOP to stop" (one-time standard rate texts exempt).
  - d. Help instructions: "Text HELP for help."
  - e. A link to the privacy policy.
  - f. A statement that, "Msg&Data Rates May Apply."
  - g. Customer service contact information (toll-free number, web address or email address).
  - h. All material terms and conditions of the program.
  - i. A statement that, "Mobile carriers are not liable for delayed or undelivered messages."
  - j. A statement that, "Terms and Conditions (including message frequency) are subject to change."
  - k. Prior express written consent disclosures if solicitations or marketing content will be sent:
    - Enrollment authorizes the delivery of autodialed marketing messages.
    - Enrollment constitutes agreement to receive texts at the telephone number designated.
    - Consent is not a condition of purchase.
    - Consent can be revoked at any time.
- B. **Opt-Out:** Text messages may not be sent to any mobile number that has been opted out of receiving such messages.
1. **Opt-Out Mechanisms:** Subscribers must be able to opt-out of future messages by replying to any message with the words "STOP," "END," "CANCEL", "QUIT," "UNSUBSCRIBE" or using similar verbiage. If the subscriber to multiple programs on a short code replies with an opt-out command, they must be considered opted-out of all campaigns on that short code. If the subscriber on a long code replies with an opt- out command, they will be considered opted-out of that long code.
  2. **Opt-Out Confirmation Texts:** When an opt-out request is received via text, only one text may be sent to the subscriber to confirm the receipt of the request.
    - a. The confirmation text must be sent within five minutes and may not include any marketing or promotional content.
    - b. The confirmation text must identify the program (brand) name or product description and confirm that no further messages will be delivered.
- C. **Record Retention:** Sufficient documentation must be retained for at least five years to document that each consumer consented to receive text messages. At a minimum, this must include:
1. The language used to obtain consent to text.
  2. The consumer's response authorizing to receive texts.
  3. The number at which the consumer consented to receive texts.
  4. The date on which consent was obtained.

Additionally, documentation of all opt-out requests shall be maintained for at least five years. At a minimum, this must include:

1. The date the opt-out was received.
  2. How the opt-out was received.
  3. A record of the confirmation text response if sent.
- D. **Reassigned Numbers:** No text messages, including opt-out confirmation texts, shall be sent to a disconnected or reassigned number (e.g., telephone numbers that appear to have been reassigned from the consumer to a new individual). In the event that a number appears to have been disconnected or reassigned (e.g., text recipient reports sender reached the wrong number), the number shall be removed from all text campaigns.
- E. **Premium Rate Messages:** No premium rate messages shall be sent by Allstate or directly or indirectly on Allstate's behalf.
- F. **Short Code Transfer:** If the text campaign uses a short code and it is transferred to another short code, but the scope of the campaign remains the same, no new opt-in is required. The following notice must be provided to the short code subscriber:
1. **Notice on Original Short Code:** The person must receive notice on the original short code that the program is moving to a new code. The notice must include opt-out instructions and be the last message sent on this short code.
  2. **Notice on New Short Code:** The first message sent to the subscriber's mobile number using the new short code must be a reminder about the change. This message must also include opt-out instructions.
- G. **Customer Care Information:**
1. Recurring text message programs must include help instructions at least monthly.
  2. Subscribers must be able to receive help information by replying to any message with the term "HELP." When a "HELP" request is received, a message must be sent with the following information:
    - a. Program details, including sponsor name.
    - b. Customer support information (toll-free number, web address or email address).
- H. **Responses to Non-Subscriber Help and Stop Messages:** If a non-subscriber mistakenly sends "HELP" to an Allstate short code or long code, Allstate must reply with a one-time message that informs the sender of program sponsor and support information. If a non-subscriber mistakenly sends "STOP" to an Allstate short code or long code, Allstate must reply with a one-time message that identifies the sponsor, confirms receipt of request and informs the sender that no additional messages will be sent.
- I. **Permissible Hours:** Do not send solicitation texts to a residence before 8:00 AM or after 9:00 PM local time of the residence. (Note: Individual states may have more restrictive limitations on when solicitation texts are permissible, including limits on the number of solicitation texts within a specified time period.)

## **ALLSTATE HEALTH SOLUTIONS ANTI-MONEY LAUNDERING COMMUNICATION**

In 2005, as part of the USA PATRIOT Act, the Department of the Treasury issued regulations prescribing standards applicable to insurance companies for the establishment of an Anti-Money Laundering (“AML”) program and the reporting of suspicious transactions.

This document is the Allstate Health Solutions<sup>1</sup> (“Allstate”) communication to insurance agents and brokers on the AML Regulations and Allstate’s AML Program. The communication is in three sections. Section 1 provides general background information on money laundering and the AML regulations for insurance companies. Section 2 provides Allstate’s specific guidelines for the reporting and escalation of potential suspicious activity. Section 3 provides a listing of red flags for your reference.

### **SECTION 1**

#### **What Insurance Agents and Brokers Should Know about the Anti-Money Laundering Regulations for Insurance Companies**

The USA PATRIOT Act includes provisions intended to prevent the financial services industry, including the insurance sector, from being used for money laundering and terrorist financing by criminals and terrorists. The USA PATRIOT Act requires insurance companies to establish AML programs that comply with minimum standards developed by the Department of the Treasury. Regulations issued by the Department of the Treasury and its Financial Crimes Enforcement Network (“FinCEN”) establish minimum requirements for insurance company AML programs and require insurers to report suspicious transactions.

Although insurance agents and brokers are not required to have their own AML programs, the Department of the Treasury and FinCEN have stated that insurance agents and brokers are expected to play an important role in implementation of these programs by insurers.

This document is intended to provide insurance agents and brokers with a brief description of money laundering and terrorist financing and to help you recognize the signs of potential money laundering activity that you may encounter. You are the first line of defense in detecting and preventing money laundering. It is your responsibility to report any suspicious activity.

#### **What is Money Laundering and Terrorist Financing?**

**Money laundering.** Money laundering is a varied and often complicated process that can, but does not always, involve cash transactions. Illegally-obtained money is filtered through a series of transactions that eventually make the money appear to be obtained from “clean”, or legal, activities. Generally, the motivation for money laundering is profit. The money laundering process has three phases that often overlap:



Placement is the initial transfer of criminal proceeds, whether in cash or in any other form, into the financial system in such a manner as to avoid detection by financial institutions and government authorities.

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<sup>1</sup> Allstate Health Solutions is a marketing name for products underwritten by National Health Insurance Company, Integon National Insurance Company, Integon Indemnity Corporation, and American Heritage Life Insurance Company.

An example of placement may include converting large amounts of cash into multiple monetary instruments such as money orders or cashier's checks.



Layering involves a series of transactions intended to distance the proceeds from their illegal source and disguise the audit trail.

Layering can then be accomplished by using money orders, cashier's checks, or other methods of payments to make purchases of life insurance policies or annuity contracts.



Integration is the reinsertion of successfully laundered proceeds into our economy where the monies then appear legitimate.

Integration may use the proceeds from the annuity or life policies - initially purchased with illegal funds - for legitimate purchases.

**Terrorist financing.** Terrorist financing involves the use of money, which may be lawfully obtained, to fund illegal activities. Generally, the motivation for terrorist financing is ideological. Funds are used for a “purpose” rather than to conceal the “profits” of crime. Terrorist may misuse legal enterprises such as charitable organizations. Because the transactions often have a legitimate origin and can often involve small amounts of money, terrorist financing can be more difficult to identify than money laundering activities, although an effective AML program can help prevent the use of funds for terrorism activities.

### Elements of an AML Program

American Heritage Life Insurance Company (“AHL”) and National Health Insurance Company (“NHIC”) are insurance companies that are subject to the AML requirements because they issue or underwrite “covered” products. As such, the AML requirements state that AHL and NHIC must develop and implement a written, risk-based AML program that is reasonably designed to prevent Allstate from being used to facilitate money laundering.

**“Covered Products.”** The rules are not applicable to all insurance products. Rather, the Department of the Treasury identified categories of “covered products” that in its judgment presented sufficient AML risk to justify regulation. “Covered products” are defined to include:

1. A permanent life insurance policy, other than a group life insurance policy,
2. An annuity contract, other than a group annuity contract, or
3. Any other insurance product with features of cash value or investment.

Accordingly, property and casualty coverage, health insurance, and term life insurance, among other kinds of products, need not be included in an insurance company’s AML program. Insurance companies may offer guidance on which of their products are covered under their programs and may include products in their AML program that are excluded by the rules.

At minimum, the AML program must include four elements:

1. A compliance officer responsible for ensuring that the AML program is implemented effectively. The compliance officer and AML team are responsible for day-to-day operations of the life companies AML program.
2. AML policies, procedures and internal controls, must be reasonably designed to enable the company to comply with the applicable requirements and to prevent Allstate from being used to facilitate money laundering. This includes continuous assessments, taking a risk-based approach, to assess vulnerabilities of the business to money laundering and adoption controls to the risks.
3. Ongoing training of appropriate persons (including insurance agents and brokers) concerning their responsibilities under the AML program.
4. Independent testing of the company's AML program conducted by individuals other than the AML compliance officer or those involved in administering the AML program. This can be an internal audit department, outside auditors, or other qualified independent parties. Allstate's internal audit conducts this independent assessment at least every two years.

### **What Responsibilities Do Insurance Agents and Brokers Have?**

The insurance regulations do not require insurance agents and brokers to establish AML programs or to report suspicious transactions themselves to the FinCEN. However, insurance agents and brokers have an important role to play in insurance companies' AML programs because they have direct contact with customers and are often in the best position to gather information and detect unusual or suspicious activity. To assure that insurance companies and their distribution partners collaborate in preventing money laundering, the rules require insurance companies to integrate insurance agents and brokers into their AML programs and to monitor their compliance with the programs.

Penalties for money laundering can be severe. If you choose to ignore a suspicious transaction or are aware of an unlawful activity taking place and choose not to disclose it, this is considered "**willful blindness**" and legal and/or regulatory penalties could be enforced upon you and/or Allstate and cause damage to the Allstate brand and reputation.

Remember, you are the first line of defense in detecting and preventing money laundering. It is your responsibility to report any unusual or suspicious activity to the AML Team. Section 2 will provide Allstate's specific guidelines for the reporting and escalation of unusual and/or suspicious activity.

See Section 3 for a listing of "red flags". A "red flag" is a warning signal or an indication of a potential problem. Money laundering red flags generally involve more specific activities or financial transactions that are not typically expected.

**Customer Information.** The rules require insurance companies to collect customer information from insurance agents and brokers, among other sources, to support their AML programs and to detect and report suspicious transactions.

Since Allstate's AML Program is risk-based<sup>2</sup>, insurance agents and brokers should expect to collect and retain information needed to assess the risk associated with particular business – in particular, to identify customers in high-risk businesses or high-risk geographic locations, or those using products or services that may be more susceptible to abuse in money laundering activity.

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<sup>2</sup> Each insurance company is required to establish an AML program that is "risk-based," which means that each company's program must address the money laundering risks arising from the company's particular product mix and unique business practices.

**Methods of Payment.** Certain forms of payment – including cash, money orders, traveler’s checks, and bank checks – can be used in the placement phase of a money laundering scheme. To manage this risk, limits may be set on the forms of payments that will be accepted and the amounts acceptable for some of them. The goal is to reduce the chances that the insurance business will be involved in money laundering, without excluding forms of payment with a legitimate business purpose. Because insurance agents and brokers often collect at least the first premium due under a policy, they may be called upon to inform customers of these standards and enforce them.

**Suspicious Transactions.** The AML Program includes procedures to identify and report suspicious transactions – in general transactions aggregating \$5,000 or more where there is a reason to suspect that the transaction (i) involves funds derived from illegal activity or are intended to hide funds derived from illegal activity, (ii) is designed to evade reporting requirements imposed by Federal law, (iii) has no apparent lawful purpose or are not the sort in which a particular customer would be expected to engage, or (iv) involves the use of the insurance company to facilitate criminal activity. Significantly, reportable transactions are not limited to a narrow definition of money laundering. They include any effort to involve an insurance company in illegal activity, including fraud and may even include lawful transactions that are atypical for the customer involved and for which there is no reasonable explanation.

Insurance agents and brokers are often in the best position to detect suspicious activity – for instance, customers who are resistant to requests for information, who are indifferent to the features of a product, except for withdrawal rights, or who seek products inconsistent with their apparent needs.

Although insurance agents and brokers are not independently required to report suspicious transactions, they are expected to report unusual or suspicious activity to Allstate’s Compliance Team. Compliance is responsible for reporting suspicious transactions conducted through its insurance agents and brokers.

Under federal law, insurance agents and brokers, as well as insurance companies, are protected from liability to customers for disclosing possible criminal activity to their insurance companies, law enforcement, and certain government supervisory agencies. Suspicious Activity Reports and the fact that they have been filed must be kept confidential. Customers should not be notified, or tipped off, that a suspicious activity has been reported.

**Training for Insurance Agents and Brokers.** The regulations require companies to train their insurance agents and brokers regarding their responsibilities under the company’s AML program. The rules state that the company may satisfy this requirement by directly training its agents and brokers or by verifying that its insurance agents and brokers have received adequate training through another insurance company or by a competent third-party. These programs are tailored to the needs of insurance agents and brokers and to include training on identifying suspicious customer behavior and transactions as well as on procedures to report suspicious activities to the company.

**Testing the Effectiveness of the AML Program.** An insurance company is required to conduct independent testing as to the effectiveness of its AML program, including the compliance of its agents and brokers. The Internal Revenue Service also examines insurance companies on the adequacy and effectiveness of their AML programs.

## Conclusion

We are all proud of the products and services that we offer. Even before being tasked by the Congress with the responsibilities set forth in the AML rules, insurance companies and their insurance agents and brokers took serious efforts to prevent, identify, and report suspicious financial transactions. By continuing to make it difficult for criminals to use insurance products for illegal purposes, the insurance industry and the economy in which it operates, both domestic and foreign, are strengthened.

## **SECTION 2**

### **Allstate Health Solutions Producer's Guide to AML**

As an insurance producer, your skills and services help customers achieve financial success and security. Because you are on the front lines of a multi-billion-dollar industry, you are in a unique position not only to serve customers, but also to serve the country by helping prevent money laundering and the financing of terrorist activities.

To comply with federal AML regulations for insurance companies, Allstate adopted a detailed AML Program. You have an important role to play in that program. As a person who deals directly with customers, you will often be in a critical position to obtain information about the customer, source of funds for the products you sell, and the customer's reasons for purchasing an insurance product.

For you to sell individual annuities and life insurance, Allstate's AML Program requires you:

- Ensure that all information requested on the product application and associated documents is complete and accurate.

At a minimum, you must collect the following types of information about the policy/contract owner:

- Full name
- Residential address (a P.O. Box is not acceptable)
- Date of birth
- Social Security Number
- Citizenship, if requested on the application

If a customer resists providing information, notify Allstate's AML Compliance Team immediately by calling the Allstate Financial ("AF") Compliance Hotline at 1-866-635-7100 or by sending the information via email [to AFSuspect@allstate.com](mailto:AFSuspect@allstate.com).

Records associated with reported suspicious activity must be retained if the contract remains in force and for a minimum of five years thereafter.

- Notify us if you detect any money laundering red flags, so that Allstate can determine whether a suspicious activity report ("SAR") must be filed. See Section 3 for a listing of red flags you may encounter.
- Advise customers that we do not accept personal third-party checks as payment for any policy or contract. If a customer provides a form of payment that is not permitted, it should be returned immediately.
- Receive periodic AML training. Specific details on meeting the training requirements will be provided in subsequent communications.

**Allstate's AML Contact.** If any existing or proposed internal policy, procedure, practice, customer or producer transaction, including contract level transactions, causes a concern regarding any possible AML non-compliance, money laundering or suspicious activity, the producer should immediately bring that issue to the attention of the AF Compliance Department. The AF Compliance Suspicious Activity Reporting Process may also be used to report concerns regarding possible legal non-compliance. Unusual or suspicious activity can be reported by sending an email to [AFSuspect@allstate.com](mailto:AFSuspect@allstate.com) or by calling the **AF Compliance Hotline at 1-866-635-7100**.



**CONFIDENTIALITY OF SUSPICIOUS ACTIVITY REPORTING: THE AF AML COMPLIANCE OFFICER HAS THE RESPONSIBILITY FOR RESPONDING TO ANY INQUIRY REGARDING THE SUBJECT MATTER OF ANY SAR. AN INSURANCE AGENT OR BROKER MUST NOT, UNDER ANY CIRCUMSTANCES, DISCLOSE THE FACT THAT A SAR HAS BEEN FILED OR CONSIDERED, OR THE CONTENTS OF A SAR, TO THE SUBJECT OF A SAR OR TO ANY THIRD-PARTY.**

For more details on each of these requirements, please contact the AML Compliance Team at [AFSuspect@allstate.com](mailto:AFSuspect@allstate.com) or call the AF Compliance Hotline at 1-866-635-7100.

The company and its producers share an important responsibility to comply with the company's program and all applicable AML laws. A failure to do so will constitute grounds for discipline up to and including termination. In addition, violation of AML laws may expose those responsible to substantial penalties under federal law.

### **SECTION 3**

#### **What “red flags” should an agent or producer look for?**

Money Laundering red flags generally involve activities or concerns which are not what you would typically expect either from a customer or financial transaction. One risk indicator or red flag alone may not be suspicious, however more than one generally requires closer scrutiny. If you suspect that a transaction does not represent a legitimate business purpose or appears to fall under one or more of the red flags, refer it to [AFSuspect@allstate.com](mailto:AFSuspect@allstate.com). Examples of red flags to look for include, but are not limited to:

- > The customer exhibits unusual concern about the Company's compliance with government reporting requirements and the Company's AML policies (particularly concerning their identity, type of business and assets), or is reluctant or refuses to reveal any information concerning business activities or furnishes unusual or suspicious identification or business documents.
- > The customer wishes to engage in transactions that lack business sense or apparent investment strategy or are inconsistent with the customer's stated business or investment strategy.
- > The information provided by the customer that identifies a legitimate source for funds is false, misleading, or substantially incorrect.
- > Upon request, the customer refuses to identify or fails to indicate any legitimate source for their funds and other assets.
- > The customer (or a person publicly associated with the customer) has a questionable background or is the subject of news reports indicating possible criminal, civil, or regulatory violations.
- > The customer exhibits a lack of concern regarding risks, commissions, or other transaction costs.
- > The customer appears to be acting as an agent for an undisclosed principal, but declines or is reluctant, without legitimate commercial reasons, to provide information or is otherwise evasive regarding that person or entity.
- > The customer has difficulty describing the nature of their business or lacks general knowledge of their industry.
- > The customer attempts to make frequent or large deposits of currency, insists on dealing only in cash, or asks for exemptions from the Company's policies relating to the deposit of cash.
- > The customer engages in transactions involving cash or cash equivalents or other monetary instruments that appear to be structured to avoid the \$10,000 government reporting requirements, especially if the cash or monetary instruments are in an amount just below reporting or recording thresholds.
- > For no apparent reason, the customer has multiple accounts under a single name or multiple names, with a large number of inter-account or third-party transfers.
- > The customer is from, or has accounts in, a country identified as a non-cooperative country or territory by the Financial Action Task Force.
- > The customer's account shows numerous currency or cashier's check transactions aggregating to significant sums.

- > The customer's account has a large number of wire transfers to unrelated third parties inconsistent with the customer's legitimate business purpose.
- > The customer's account has wire transfers that have no apparent business purpose to or from a country identified as a money laundering risk or a bank secrecy haven.
- > The customer's account indicates large or frequent wire transfers, immediately withdrawn by check or debit card without any apparent business purpose.
- > -The customer makes a funds deposit followed by an immediate request that the money be wired out or transferred to a third party, or to another company, without any apparent business purpose.
- > The customer requests that a transaction be processed to avoid the Company's normal documentation requirements.
- > The customer maintains multiple accounts or maintains accounts in the names of family members or corporate entities, for no apparent purpose.
- > The customer pays for contracts by third-party checks.
- > The customer shows no concern for the performance of the contract but much concern for the surrender or early cancellation features of the contract.
- > The customer makes payment by cash, when this type of business transaction would normally be handled by checks or other payment instruments.
- > The customer's purchases are beyond their apparent means.
- > The customer makes purchases where the source of the funds is unclear.
- > The customer borrows from a single premium policy shortly after paying for the policy.
- > The customer cancels a single sum policy early.
- > The customer makes payment by multiple bank checks or money orders.

## **Short Term Medical vs. ACA Compliant Major Medical Compliance Considerations**

- STM is a great option for someone that needs less expensive temporary coverage, someone in between coverage options, those traveling out-of-network, or those looking to fill gaps in coverage.

STM coverage is not required to comply with all the provisions of the Affordable Care Act (ACA) and is not ACA major medical coverage. STM applicants answer health eligibility questions, but STM does not cover pre-existing conditions, and also may not cover other benefits that are covered under ACA plans, like maternity and prescription drugs. This should be discussed with the client(s) when determining whether STM is right for them.

- As an agent, your job is to help your client obtain coverage that meets their needs. There are several things to consider when looking at STM vs. ACA compliant major medical:
  - Does the client understand the differences between STM and ACA compliant major medical coverage?
  - Does the client qualify for a special enrollment period due to a qualifying life event such as losing employer coverage, marriage, birth of a child, etc.? If yes, make sure you explain that they are eligible for ACA major medical coverage so that they can make an informed choice.
  - While a STM policy may be cheaper, it may not be in the client's best interest.
  - Is the client eligible for a subsidy in the Health Insurance Market Place? If yes, STM is likely not in their best interest.
  - STM coverage is not minimum essential coverage, which means losing STM coverage will not qualify someone for special enrollment in the Health Insurance Market Place.
  - The federal individual tax penalty is not applicable for 2019 and beyond, but some states may have their own individual mandate, which STM may not satisfy.
- Do not move someone from an ACA compliant major medical policy to a STM policy unless they fully understand the implications.
- Moving someone that already has an ACA compliant policy to a STM policy or selling STM to someone that would be better served to have an ACA compliant major medical policy could subject you and/or the insurance company to :
  - Department of Insurance Complaints
  - Litigation

By signing below, you understand and agree with the information set forth above.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

Print Name \_\_\_\_\_



## AHCP Signature Authorization

PLEASE READ THIS AUTHORIZATION, SIGN IN THE BOX BELOW AND SUBMIT THIS FORM BY FOLLOWING THE INSTRUCTIONS PROVIDED ON THE COVER PAGE.

I, \_\_\_\_\_, hereby authorize America's Health Care Plan/Rx Agency, LLC (AHCP) and its general agency customers (the "Authorized Parties") to affix or append a copy of my signature, as set forth below, to any and all required signature fields on forms and agreements of any insurance carrier (a "Carrier") designated by me through AHCP or through any other means, including without limitation, by e-mail or orally. The Authorized Parties shall be permitted to complete and submit all such forms and agreements on my behalf for the purpose of becoming authorized to sell Carrier insurance products. I hereby release, indemnify and hold harmless the Authorized Parties against any and all claims, demands, losses, damages, and causes of action, including expenses, costs and reasonable attorneys' fees which they may sustain or incur as a result of carrying out the authority granted hereunder.

By my signature below, I certify that the information I have submitted to the Authorized Parties is correct to the best of my knowledge and acknowledge that I have read and reviewed the forms and agreements which the Authorized Parties have been authorized to affix my signature. I agree to indemnify and hold any third party harmless from and against any and all claims, demands, losses, damages, and causes of action, including expenses, costs and reasonable attorneys' fees which such third party may incur as a result of its reliance on any form or agreement bearing my signature pursuant to this authorization.

Please sign in the center of the box below. Please use BLACK ink.

PRODUCERIDXXX



\*ONLY COMPLETE IF AHCP DOES NOT HAVE YOUR CURRENT INFORMATION ON FILE\*

### Authorization for Automatic Deposit

This form will update account information associated to commissions processed by AHCP. To update direct deposit information for commissions processed by an insurance carrier you must complete the carriers direct deposit authorization form. Forms are located in the AHCP Forms Library.

Agent or Agency Name	
Social Security Number or Tax ID Number	
Phone Number	Email Address
Please indicate transaction type: <input type="checkbox"/> Set-Up <input type="checkbox"/> Change <input type="checkbox"/> Cancel	
Please indicate type of account: <input type="checkbox"/> Checking <input type="checkbox"/> Savings	
Name of Financial Institution:	
Bank—City, State, Phone Number:	
Routing Number:	
Account Number:	

I hereby authorize AHCP to initiate direct deposit of commissions and, if necessary, make corrections for any entries made to my account in error.

Agent Signature \_\_\_\_\_ Date \_\_\_\_\_

**PLEASE INCLUDE A COPY OF A VOIDED CHECK**

Fax this form to AHCP– 888.781.0586  
Scanned versions of this form can be emailed to [contracting@AHCPsales.com](mailto:contracting@AHCPsales.com)

## Request for Taxpayer Identification Number and Certification

Go to [www.irs.gov/FormW9](http://www.irs.gov/FormW9) for instructions and the latest information.

**Give form to the  
requester. Do not  
send to the IRS.**

**Before you begin.** For guidance related to the purpose of Form W-9, see *Purpose of Form*, below.

<b>Print or type. See Specific Instructions on page 3.</b>	<b>1</b> Name of entity/individual. An entry is required. (For a sole proprietor or disregarded entity, enter the owner's name on line 1, and enter the business/disregarded entity's name on line 2.)	
	<b>2</b> Business name/disregarded entity name, if different from above.	
	<b>3a</b> Check the appropriate box for federal tax classification of the entity/individual whose name is entered on line 1. Check only <b>one</b> of the following seven boxes.	<b>4</b> Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3):
	<input type="checkbox"/> Individual/sole proprietor <input type="checkbox"/> C corporation <input type="checkbox"/> S corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate <input type="checkbox"/> LLC. Enter the tax classification (C = C corporation, S = S corporation, P = Partnership) _____ <b>Note:</b> Check the "LLC" box above and, in the entry space, enter the appropriate code (C, S, or P) for the tax classification of the LLC, unless it is a disregarded entity. A disregarded entity should instead check the appropriate box for the tax classification of its owner. <input type="checkbox"/> Other (see instructions) _____	Exempt payee code (if any) _____  Exemption from Foreign Account Tax Compliance Act (FATCA) reporting code (if any) _____
	<b>3b</b> If on line 3a you checked "Partnership" or "Trust/estate," or checked "LLC" and entered "P" as its tax classification, and you are providing this form to a partnership, trust, or estate in which you have an ownership interest, check this box if you have any foreign partners, owners, or beneficiaries. See instructions . . . . . <input type="checkbox"/>	
	<b>5</b> Address (number, street, and apt. or suite no.). See instructions.	Requester's name and address (optional)
	<b>6</b> City, state, and ZIP code	
<b>7</b> List account number(s) here (optional)		

### Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

<b>Social security number</b>													
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**Note:** If the account is in more than one name, see the instructions for line 1. See also *What Name and Number To Give the Requester* for guidelines on whose number to enter.

### Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
2. I am not subject to backup withholding because (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
3. I am a U.S. citizen or other U.S. person (defined below); and
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

**Certification instructions.** You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and, generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

<b>Sign Here</b>	Signature of U.S. person	Date
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## General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

**Future developments.** For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to [www.irs.gov/FormW9](http://www.irs.gov/FormW9).

## What's New

Line 3a has been modified to clarify how a disregarded entity completes this line. An LLC that is a disregarded entity should check the appropriate box for the tax classification of its owner. Otherwise, it should check the "LLC" box and enter its appropriate tax classification.

New line 3b has been added to this form. A flow-through entity is required to complete this line to indicate that it has direct or indirect foreign partners, owners, or beneficiaries when it provides the Form W-9 to another flow-through entity in which it has an ownership interest. This change is intended to provide a flow-through entity with information regarding the status of its indirect foreign partners, owners, or beneficiaries, so that it can satisfy any applicable reporting requirements. For example, a partnership that has any indirect foreign partners may be required to complete Schedules K-2 and K-3. See the Partnership Instructions for Schedules K-2 and K-3 (Form 1065).

## Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS is giving you this form because they



## PRODUCER AGREEMENT

This PRODUCER AGREEMENT (“Agreement”) is entered into by and between America’s Health Care/RX Plan Agency, Inc., a Delaware Corporation and its affiliate companies, including Quotit Corporation, Health Compare Insurance Services, Inc. and Velapoint LLC, which are all indirect subsidiaries of Allstate Insurance Company (collectively “AHCP”), and \_\_\_\_\_ as Agent (“Agent”). The Agreement shall become effective upon Agent’s licensure and appointment.

- 1) Appointment. AHCP appoints Agent to act as marketer soliciting sales of products offered by and through AHCP and its Carrier partners. “Carrier” means any insurance company, program manager, membership association, or similar entity with whom AHCP has entered into a marketing agreement.

Agent and Sub-Agents must be properly licensed, registered, approved, and appointed by and/or through AHCP. "Sub-Agent" means a person or entity that (i) has executed a Producer Agreement with AHCP after being solicited by Agent, or (ii) has executed a Producer Agreement with AHCP independent of any solicitation by Agent, and has been duly appointed by AHCP and assigned by AHCP to assist Agent in the performance of duties under the Producer Agreement. All Sub-Agents are marketing agents of AHCP whether recruited by Agent or AHCP. Once the Sub-Agent’s paperwork has been submitted and approved by AHCP, the Sub-Agent may be appointed with AHCP Carriers under the Agent.

- 2) Relationship and Authority. The relationship of Agent to AHCP and scope of authority are set forth in the Agent Guidelines. Agent shall be solely responsible for paying all expenses incurred by Agent in performance of this Agreement.

AHCP or the Carrier retains the right at all times to deny appointment of any proposed Agent or Sub-Agent or to terminate AHCP’s relationship with any Agent or Sub-Agent for any reason, with or without cause.

A Sub-Agent may submit a written request to AHCP to be transferred to another Agent if (1) the Sub-Agent has not sold business for at least six-months, and (2) has no outstanding balance with AHCP. If the Sub-Agent has sold business within the preceding six months, Sub-agent must obtain a written release from their current Agent. If the Sub-Agent has an outstanding debit balance, the new Agent must agree to assume liability for the balance before the transfer will be approved by AHCP.

Upon thirty (30) days’ written notice to Agent, AHCP may, in its sole discretion and without incurring any liability to Agent or Sub-Agents, discontinue conducting all or any part of its business within all or any part of Agent’s territory or any other territory even if AHCP is still licensed and authorized therein.

- 3) Agent Responsibilities.
  - a) Agent shall at all times comply with all laws and regulations of the states in which Agent solicits business including, but not limited to, insurance licensing requirements, HIPAA, the Telephone Consumer Protection Act, Do Not Call List requirements, and state rebating/referral requirements. Agent shall be responsible for acquiring and maintaining all licenses in any territory in which Agent solicits insurance, as required by applicable law.
  - b) Agent shall pay for all of Agent's license fees, appointment fees, bond fees, and fees and taxes required by any federal, state or local government, and any required by carriers. Further, Agents are solely and strictly responsible for the performance, fidelity and honesty of employees, Sub-Agents, and independent contractors, all of whom are expected to act in full compliance with the Agreement and Agent Guidelines.
  - c) Agent is solely responsible for the performance, fidelity and honesty of Agent's employees and Sub-Agents during the term of their employment or relationship with Agent.
  - d) Agent shall immediately report to AHCP any suspension, revocation, or administrative action taken against their license.
  - e) All funds collected by Agent are held by Agent in trust and are the property of the Carriers. Agent shall act as fiduciary with respect to those funds, which will in no event be used by Agent for personal, business or other purposes.
  - f) Agents may not: (i) rebate any premiums or commissions to any party; (ii) make, alter or discharge any contract or policy; (iii) extend the time for payment of any premium; (iv) waive any forfeiture, policy provision or premium payments; or (v) modify any rate, receipt or requirement.
  - g) Agent agrees to work diligently to prevent lapsing and replacement of insurance effected hereunder.
  - h) All insurance written by Agent is and remains the property of the Carriers.
  - i) Agents and Sub-Agents shall make no representations, warranties, or commitments of any type to applicants as to the issuance of a policy or coverage of specific medical conditions or claims, nor shall Agents or Sub-Agents incur any liability or debt on behalf of AHCP or any Carrier. All insurance placed by Agents and Sub-Agents shall be the property of the Carrier.
  - j) Agents have no authority to act on behalf of AHCP or its Carriers other than as expressly provided under the Producer Agreement. Agents shall at all times comply with all of AHCP’s and its Carriers’ rules and regulations as amended from time to time (including but not limited to this Agreement and Agent Guidelines), and with all applicable federal



and state laws, rules, and regulations.

- k) Agents will immediately remit to AHCP or its Carrier any premiums collected or received. Any premiums and funds collected by Agents and Sub-Agents shall be held in trust for AHCP and its Carriers and will, in no event, be used by any of them for personal, business, or other purposes.
- l) Agents agree to work diligently to prevent lapsing and replacement of insurance effected hereunder.
- m) Agents are financially responsible to AHCP, Carriers, and their assigns, for any and all debit balances due by Agent, any Sub-Agent, or any Sub-Agent from which Agent receives an override. In the event any such debit balance or account is not paid in full when due, the debit balance or account will be transferred to the account of Agent and Agent agrees to pay the same. Coincident with that transfer, all rights to any and all future Earned Commissions attributable to the account, and tax benefits, will also be transferred to Agent.

4) AHCP Responsibilities. AHCP agrees to provide Agents with the following benefits and services:

- a) Competitive carriers and products, as determined by AHCP.
- b) Lead Marketing Credits, issued as a fixed value based upon policies issued through AHCP, where applicable (varies by Carrier and product type), to be used to off-set the cost of lead acquisitions through AHCP.
- c) Carrier and product training support.
- d) As-earned and/or Advanced funded commissions by AHCP (may vary by carrier/product);
- e) A toll-free agent support line.
- f) Opportunities for production bonuses or incentives.
- g) Agency newsletters which include Carrier updates, important announcements and new carrier and product information; and
- h) Access to agency management tools and technology.

5) Commissions.

- a) **Assigned Commissions:** Subject to all terms of the Agreement, AHCP or its delegate will compensate Agent with the commissions as determined by each Carrier and AHCP. AHCP does not impose a vesting schedule on Agent. Agent is immediately vested according to each Carrier's vesting schedule.

AHCP shall pay no commission to Agent for the sale of any insurance policy or product unless and until AHCP receives payment of its commission from the Carrier that accepts an application for and issues the policy or product.

Commissions paid to Agent will be net of any commissions paid to the Sub-Agent. Agent shall be solely responsible for paying all expenses incurred by Agent in performance of this Agreement. AHCP reserves the right to approve all commission percentages to Sub-Agents, which approval shall not be unreasonably withheld.

Confirmation of first year and renewal percentages shall be made available to Agent upon written request to AHCP. Commissions may be modified by AHCP. AHCP will make best efforts to provide at least ten (10) days' notice to Agent. In this event, commissions paid to Agent will be net of any commissions paid to the Sub-Agent. AHCP reserves the right to approve and modify all commission percentage assigned to Sub-Agents, which approval shall not be unreasonably withheld. No commission shall be deemed earned until the policy or membership agreement is issued, delivered, and accepted by the applicant. Commissions will not be paid until AHCP collects or receives payment of its commission from Carrier.

- b) **Unassigned Commissions:** For any Carrier commissions that are paid by Carrier to Agent directly, Agent will be compensated in accordance with the terms and conditions of the Carrier's appointment contract and payment schedule(s).

6) Advance Commissions/Debit Balances. AHCP, or Carriers on AHCP's behalf, may, at its discretion, make Advances to Agent in anticipation of future commissions subject to the rules set forth in Agent Guidelines. Such Advances will increase debit balances, which both parties expressly agree are loans from AHCP.

In consideration for the Advance commissions, Agent agrees to repay to AHCP or their assigns, the debit balances along with interest and/or administrative fees. AHCP reserves the right to charge a reasonable interest on all debit balances. Agent is financially responsible to AHCP and their assigns, for any and all debit balances due by Agent, their Sub-Agents, or any Sub-Agent on whom Agent receives an override. Agent and Sub-Agents shall assume the full and complete advance balance and debit balance of any Sub-Agent.

AHCP may satisfy debit balances of Agents or Sub-Agents by retaining and setting off unpaid earned commissions and override commissions and any other monies due and owed to the Agent by any AHCP Carrier.

In the event of a transfer of an Agent from one manager to another, debit balance will transfer to the new manager who agrees to assume financial responsibility for repayment or transfer shall not be approved.

7) Carrier Requirements. Agent will comply with all Carrier requirements, including providing information or executing forms. Failure to comply may result in forfeiture of commissions and appointments by Carrier.

8. Termination.
- a) This Agreement may be terminated without cause by either party upon thirty (30) days prior written notice to the other party.
  - b) AHCP may terminate immediately “for cause” with written notice to Agent if an Agent or any of their employees’ Sub-Agents:
    - i. Commits any fraud or dishonesty in connection with the duties, services or actions while performing on behalf of AHCP or any of its Carrier.
    - ii. Violates any of the terms of the Producer Agreement or Agent Guidelines, or the laws, rules, or regulations governing insurance sales in the state or states in which Agents or Sub-Agents are licensed or any state or assigned territory.
    - iii. Is indicted or convicted of a felony.
    - iv. Publishes, distributes, posts, or uses any circulars, advertising, sales material, or other matter referring to AHCP or its Carrier or to contracts or policies without first securing written approval.
    - v. Becomes insolvent or bankrupt, or makes an assignment for the benefit of creditors, or is in default of any obligation; or
    - vi. Uses AHCP furnished leads to sell a policy or product issued by a company other than AHCP or its Carriers.

If the Producer Agreement is terminated for cause, then all of Agent’s rights to any compensation will be immediately terminated, including but not limited to all commissions and renewal commissions.

- c) Upon termination of this Agreement, AHCP may reassign, solicit, appoint, or otherwise work with the Sub-Agents of Agent.
  - d) Termination of this Agreement does not absolve Agent of its obligation to repay any outstanding debit balances or chargebacks owed and does not terminate Carrier commissions due to AHCP.
9. Premiums. Agent shall immediately remit all premiums collected or received by Agent and its Sub-Agents in accordance with AHCP Agent Guidelines. For products which require payment of initial premium at the time of application, such premium must be accepted by AHCP or Carrier.
10. Rolling Business. AHCP acknowledges that Agent must act in the client’s best interest when recommending changing carriers. However, Agent agrees that moving a block of business from one carrier to another carrier, for the sole purpose of generating or increasing commissions, is not permitted by AHCP and may result in termination of this Agreement for cause.
11. Records. Agent shall keep records of all sales and provide reports as set forth in the Agent Guidelines. AHCP or Carrier will furnish Agent with a monthly statement of Agent’s accounts and will pay any amounts due, subject to other provisions of the Agreement. Agent must report any discrepancies and return payment within 30 days or payment will be deemed accepted.
12. Printed Material. AHCP will, itself or through its Carriers, furnish Agents with all applications, circulars, and printed matter which AHCP determines is necessary for doing business under the Producer Agreement. Agents and Sub-Agents agree not to publish, distribute, or use any circulars, advertising, sales material, or other matter referring to AHCP or the Carriers or their policies or use their logos without first securing AHCP’s and the pertinent Carrier’s written approval. All printed matter and supplies AHCP furnish are property of AHCP and will be promptly returned to AHCP upon request or when the Producer Agreement terminates.
13. Discontinuance of Policy Forms. Without incurring any liability to Agents or Sub-Agents, AHCP or the Carrier may discontinue, replace, or withdraw any policy or other product offering now or hereafter made available for Sale. AHCP, or the Carrier, in its discretion, may also determine commissions and renewal commissions, if any, on any policy or other product offering.
14. Insurance. Agents must carry and cause Sub-Agents to carry, at all times during the term of the Producer Agreement, Errors and Omissions liability insurance with not less than \$500,000 per occurrence, or such other amount as AHCP, Carrier or applicable law may approve or require, covering Agents and Sub-Agents, and naming AHCP as an additional insured. Each policy of such insurance shall be issued by an insurance company acceptable to AHCP. Agents will deliver to AHCP a certificate evidencing such insurance prior to commencement of marketing activities.

15. Proprietary Information. Except as may be necessary to perform services under the Producer Agreement, or as may be compelled by law or legal process, Agents may not directly or indirectly divulge, disclose, or communicate to any person, firm, or corporation any Proprietary Information or Trade Secrets of AHCP.

Any breach of the terms of this paragraph is a material breach of the Producer Agreement. The provisions of this Agreement may be enforced by all applicable legal and equitable means, including, without limitation, injunctive relief, and suit for damages.

"Proprietary Information" includes, but is not limited to, prospect, policyholder, customer, client, and vendor or supplier lists; identity of customers and clients (including names, addresses, telephone numbers, social security numbers, medical records, medical conditions, or other personal information); amounts and types of insurance; expiration and renewal dates of policies; claim histories; due dates of premiums and amounts thereof; reinsurance companies; premiums and conditions; the prices AHCP obtains or sells, or has obtained or sold, any products or services, and any other information of, about, or concerning the business of AHCP, its manner of operation, its plans, or processes, and any information contained in monthly accounts submitted to Agents and Sub-Agents by AHCP.

Agents agree that Proprietary Information also constitutes Trade Secrets. "Trade Secret," in those states that have adopted the Uniform Trade Secrets Act, is defined as in the Act. In other states, a "Trade Secret" shall have the same meaning as defined in the Act or the meaning given such term by the law of such state, whichever is the more encompassing. Agents agree that AHCP derives independent economic value from its Proprietary Information and Trade Secrets and from their not being known to the public or to other persons who can obtain economic value from their disclosure. Agents agree that all Proprietary Information and Trade Secrets are the sole property of AHCP and that AHCP utilizes efforts that are reasonable under the circumstances to maintain the secrecy of its Proprietary Information and Trade Secrets.

Agents hereby assign to AHCP all rights it might otherwise have acquired or might hereafter acquire in Proprietary Information and Trade Secrets. Agents will not during or after the term of the Producer Agreement make use of any Proprietary Information or Trade Secret for any purpose except as authorized by AHCP, including but not limited to the solicitation of business from any person or entity.

16. Indemnity. Agent agrees to indemnify AHCP, its affiliates, shareholders, directors, officers, and employees and to hold them harmless from all expenses, liabilities, cost, causes of action, loss, damage, and expense, including attorney's fees and costs of litigation, resulting from any breach of the Agreement or unauthorized, negligent or wrongful act, omission, statement, or presentation by Agent, Agent's employees or Sub-Agents. AHCP agrees to indemnify Agent and to hold them harmless from all expenses, liabilities, cost, causes of action, loss, damage, and expense, including attorney's fees and costs of litigation, resulting from any breach of the Agreement or unauthorized, negligent, or wrongful act, omission, statement, or presentation by AHCP.
17. Assignment. AHCP may assign its rights hereunder to a third party, including but not limited to any lender.

Agents may not, without the express prior consent of AHCP, assign any of its rights or responsibilities under the Producer Agreement. No assignment of commissions payable by AHCP to Agents will be valid unless authorized by AHCP in advance in writing.

AHCP will, at all times, have a superior, continuing security interest in all commissions prior to the rights of any permitted assignee. Any assignment so authorized shall be subject to any and all indebtedness of Agents to AHCP.

18. Relationship. Agents have been appointed to act as a marketing agent for AHCP and to represent AHCP in selling the products offered by and through AHCP and its authorized insurance carriers, program managers, and membership associations. The relationship of the Agent to AHCP is that of an independent contractor, and nothing about the Producer Agreement shall be construed to create the relationship of employee and employer, a partnership or joint-venture.
19. Audits. Agent shall maintain sufficient and accurate records for the performance its business. Such records shall be open for the inspection of AHCP and Carriers or their authorized representatives at any time.

Agent, on behalf of itself and Sub-Agents, agrees to maintain all documents, records and other information concerning its arrangements with Policyholders for at least ten (10) years following the termination of this Agreement, or such longer period as may be required by law, and to make such documents, records and information available to AHCP and Carrier on request. This provision shall survive the termination of this Agreement.

Agent agrees to allow AHCP and/or Carrier to audit all relevant books and records upon at least five (5) business days' prior written notice and during regular business hours. AHCP and Carrier are solely responsible for their own expenses in connection with conducting the audit.

20. Security Interest. AHCP will have a superior, continuing security interest in all commissions prior to the right of any permitted

assignee. Any assignment so authorized shall be subject to any and all indebtedness of Agent to AHCP then existing or thereafter accruing. To secure the payment of any indebtedness and performance of Agent of all terms of the Agreement, Agent agrees to assign commissions to AHCP pursuant to the terms set forth in Addendum A.

21. Governing Law. The Agreement shall be governed by the laws of Delaware.
22. Partial Invalidity. If any provision of this Agreement is declared invalid for any reason, the invalidity of that provision shall not affect the validity of any other provision of this Agreement.
23. Dispute Resolution; Equitable Relief. Each Party agrees that, in the event of a dispute or alleged breach, they shall first work together in good faith to resolve the matter internally through negotiations and, if necessary, by escalating it to higher levels of management. The foregoing shall not apply to, and shall not prevent a party from seeking immediate relief in the event of, disputes involving confidentiality or data protection provision of this Agreement or infringement of intellectual property rights (in which case either party shall be free to seek available remedies in a court of competent jurisdiction in accordance with the Governing Law section of this Agreement).
24. Entire Agreement. This Agreement, including Addendum A – Advance of Commissions and Addendum B – Agent Guidelines, constitutes the entire agreement, supersedes, and replaces any and all prior written or oral agreement between these parties. This Agreement may not be modified without written consent of both parties and shall be binding upon the successors and heirs of the parties hereto.

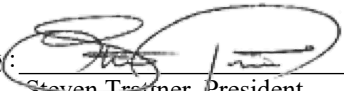
Executed as of the \_\_\_\_ day of \_\_\_\_\_, 202\_\_.

Agent: \_\_\_\_\_

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

Signature

Date

By:  \_\_\_\_\_  
Steven Trattner, President  
America's Health Care/Rx Plan Agency, Inc.

Date

**ADDENDUM A**  
**ASSIGNMENT OF COMMISSIONS**

In exchange for access to AHCP programs and services, Agent agrees to assign all commissions earned to AHCP, subject to the following terms and conditions:

1. All earned commissions assigned to and received by AHCP are received on the Agent's behalf and will promptly be paid out in its entirety to the Agent pursuant to the terms and conditions of this Producer Agreement, the commission structure and advance commission schedule between AHCP and the Agent. All commission payments will be made by AHCP or its delegate.
2. Agent may, upon written notice to AHCP, opt out of receiving any advance commissions. AHCP will pay out to Agent all earned commissions.
3. AHCP reserves the right to modify commission or advance commission agreements by providing advance written notice to Agent when possible.
4. AHCP may not assign any Agent-earned commissions to any unaffiliated party without Agent's express written consent.
5. This assignment only applies to commissions for AHCP business while this Agreement is in effect. Subject to use of commission to repay debit balances owed, AHCP shall retain no interest in, or control of business sold by Agent. AHCP expressly acknowledges that this agreement in no way changes or affects the Agent's status as "Agent of Record" for any business for which commissions have been assigned to AHCP.
6. This assignment may be revoked by Agent upon 30 days' written notice to AHCP and the Carrier. Once revoked, Agent will be entitled to receive commissions from Carriers so long as all debit balances with AHCP have been paid.
7. AHCP does not impose a vesting schedule on Agent. Agent is immediately vested per Carrier's requirements. AHCP will use reasonable efforts to provide vesting information from Carriers to Agent.
8. Agent expressly acknowledges that advance commission from AHCP may result in debit balances being owed by Agent to AHCP. Agent understands that these debit balances are loans which are tied to Agent and must be repaid to AHCP. If AHCP determines that monthly commissions will not satisfy the debit balance within nine (9) months, Agent agrees that AHCP may use any earned commissions of Agent under other accounts with AHCP or any of its Carriers to offset the debit balance in any other account of the Agent. In the event of termination of the Producer Agreement, termination by any Carrier of its marketing of policies through AHCP or through the Agent or their Sub-Agents, or following a determination by AHCP that the estimated value of future Earned Commissions is not sufficient to pay the remaining debit balances, then all Earned Commissions, if any, shall be applied to repay the remaining debit balances until fully paid. If the debit balances are not paid off, the entire remaining balance will be immediately due at the earlier of nine (9) months or upon determination that Earned Commissions will not be sufficient to repay the debit balance in full. Any amount remaining unpaid after the due date shall bear interest until paid at the highest applicable lawful rate of interest. If the balance due is not paid in full within thirty (30) days after the due date, the Agent forfeits rights to any future vested Earned Commission.
9. **Advanced Commissions:**  
Agents who elect to receive an advance on their commissions will be paid commissions upfront for the number of months the policy advances. This is a payment made in good faith to agents where AHCP believes the sale will remain active and paying for at least the minimum term length of the policy. Agents will receive upfront NET, less administrative fees for the number of advanced months. The calculation for this commission is Commission Rate % multiplied by Commissionable Premium, multiplied again by the number of months advanced, less the admin fee.

**Recovery:**

The advanced amount, when paid, will create an off-setting debit balance that the agent will carry with them until the advanced amount has been earned over the course of the life of the policy. Each month, when commissions are received by AHCP, the agents will see commissions on their statements being accrued under ADVANCED RECOVERY. The agents will not receive any further NET commissions for this policy until the entire advanced amount has been recovered through Advance Recovery. Advance Recovery is calculated by Commission Rate % multiplied by Commissionable Premium received.

#### Chargebacks:

If a policy cancels or terminates for any reason before the entire advance has been recouped through ADVANCED RECOVERY, the outstanding balance that was advanced but not yet earned through ADVANCED RECOVERY is eligible to be charged back. Chargebacks use NET generated from other policy activity to pay down the current policy debit balance. The chargeback can occur all at once or be broken up over several cycles. Upon satisfaction of the debt, the chargeback balance is zero and the agent no longer owes on this policy.

#### General Indebtedness:

This Advanced Commission shall be a general indebtedness, and Agent agrees to reimburse AHCP for all attorney's fees and other collection costs as permitted by law and all such amounts shall become indebtedness hereunder. In order to secure the full and prompt payment of any and all indebtedness due, AHCP will have a security interest and first lien on any monies due at any time under the Schedule of Commission or any applicable addendum. In addition to any statutory or other legal basis, AHCP will have the right of offset as outlined in section 6 of the Agreement and, at any time, may deduct from any monies, or other rights due you, such indebtedness together with interest at the aforementioned maximum rate and any attorneys' fees and collection costs incurred.

Should Agent fail to satisfy the debt as outlined in this Agreement, AHCP shall have the right to charge interest on any outstanding balance of advance commission commencing upon first written notice to Agent on a per annum rate of 12%; provided, however, that such rate shall not exceed the rate permitted by law.

#### Admin Fees:

Admin fees reduce your NET advanced amount on a new sale. Usually around 3%, admin fees play a critical role in the ongoing sustainability of AHCP and are deducted automatically when a new sale generates an advance. You will find these in your statement summary reducing overall NET.

##### Example:

$\$19.97 \text{ premium} \times 59\% \text{ Commission rate} \times 6 \text{ months} = \$70.68$

$\text{Admin Fee } 3\% \times \text{Gross Advance} = \$70.68 \times 0.03 = \$2.12$

$\text{Total Admin Fee charged} = \$2.12$

## **ADDENDUM B**

### **AGENT GUIDELINES**

The Agent Guidelines (“Guidelines”) were developed to enhance and facilitate the business relationship between AHCP and Agent. These Guidelines and any rules contained herein are intended to promote an environment that is both stable and productive for an Agent sales distribution system. The Agent Guidelines are also intended to provide additional information on provisions set forth in the Producer Agreement. By signing the Producer Agreement, Agent has agreed to comply with the Agent Guidelines when selling for AHCP.

The Guidelines are subject to change by AHCP. Agents should routinely check for bulletins and updates within AHCP’s back office online portal. AHCP will also make reasonable effort to send out timely email updates regarding any changes to the Guidelines.

#### **Scope of Authority**

Each Agent is free to exercise their own judgment as to the time and manner for performing services required under this Agreement. An Agent is also free to exercise their own judgment as to the persons from whom they will solicit applications and the time and place of solicitation, subject to compliance with applicable law.

#### **Limits on Authority**

Agent shall not directly or indirectly contract with any of AHCP’s Carriers until Agent is officially released by AHCP specifically for that carrier. To be released by AHCP, Agent must (a) request release in writing and receive authorization in writing from any contracted upline general agency, (b) have no new business sold within the 6 months prior to requested release date, (c) have no outstanding balance owed to AHCP or Agent’s upline, including but not limited to appointment fees and advance debit balances, and (d) must be outside of AHCP’s transfer/release blackout period which spans from September 1 through December 31 of each year. Upon satisfaction of these requirements, release requests will be approved by AHCP. Release requests that do not meet these requirements shall be granted in AHCP’s sole discretion.

#### **Recruitment of and/or Assignment of Sub-Agents**

Agents may, pursuant to rules and policies adopted by AHCP, solicit new Sub-Agents in any state where Agent and Sub-Agents are properly licensed with the state insurance department.

Agent acknowledges that any such recruited or recommended Agent or Sub-Agent that executes a Producer Agreement, is accepted by, and appointed with AHCP becomes an Agent of AHCP and is only assigned to managing Agent’s hierarchy for the purpose of creating a stable and productive sales distribution system within AHCP.

Agent shall not, during the time Agent is contracted with AHCP and for a period of one year thereafter, solicit, hire, recruit, entice or otherwise suggest or encourage any AHCP Agent or Sub-Agent to discontinue or lower production on behalf of AHCP and its Carriers, to terminate its relationship with AHCP or to breach its contract with AHCP.

Agents will be held responsible for any misappropriation or shortage of funds due AHCP or any Carrier due to the actions of such Sub-Agents.

Agents may not permit or allow any Sub-Agent to solicit applications for insurance policies sold by AHCP until such individuals are duly licensed with the proper state insurance department and are approved and appointed by AHCP and its Carriers. AHCP may assign Sub-Agents who are already licensed to an Agent. Nothing in the Producer Agreement or Agent Guidelines should be construed to limit AHCP’s ability to reassign, solicit, appoint, or otherwise work with any Sub-Agents.

#### **Agent and Sub-Agent Requests for Transfers**

If Agent is also Sub-Agent within a managing Agent’s hierarchy, Agent may submit a written request to AHCP to be transferred to another managing Agent if (1) Agent has no new production (submitted and/or paid) for at least six (6) months; and (2) Agent has no outstanding advance compensation loan balance with AHCP. In the event Agent has production (submitted and/or paid) within the last six (6) months, Agent must (1) obtain a written release from their current managing Agent; and, (2) the new managing Agent must agree to assume liability for any of the Sub-Agent’s advance compensation loan balances and must give AHCP a written acceptance of such liability and assignment of income before the transfer will be approved. Any discrepancies, regarding requests for transfers, between the Agent Guidelines and Agent’s Producer Agreement with AHCP shall be resolved and governed by the Agent Guidelines in effect at time of any requests to transfer.

## **Agent Duties & Responsibilities**

AHCP's Carriers should be the primary carriers for all products to be promoted and sold by Agents or Sub-Agents. However, Agents are not expressly prohibited from being licensed with other insurance companies to sell other product lines, provided that leads and prospective customers derived through AHCP are only offered carriers with whom Agent is appointed through AHCP.

Agent represents that the state insurance regulatory authorities and all other appropriate governmental authorities with jurisdiction have not revoked, suspended, denied renewal or otherwise imposed restrictions or limitations on Agent's licenses, certifications or qualifications necessary to perform under this Agreement. All Agents agree to comply with applicable provisions of the Gramm Leach Bliley Financial Modernization Act of 1999 and all state requirements. To the extent that nonpublic personal information of any individual is disclosed to an Agent, they agree not to disclose or use the information other than to conduct the purposes of the Producer Agreement.

Agents represent that they and their Sub-Agents will become:

1. Fully educated in the benefits and coverage offered by each and every insurance plan and/or product that they offer to the public through their affiliation with AHCP.
2. Fully educated in the business rules of each and every Carrier which they represent to the public through their affiliation with AHCP.
3. Familiar with each Carrier's proper appointment and application submission rules and guidelines, and to review any non-web-based appointment and application paperwork before submission.
4. Subscribed to the AHCP Newsletter so as to ensure that each Agent and Sub-Agent becomes aware of AHCP and Carrier changes in process or procedure on a timely basis.

## **Agent Conduct**

Misconduct may not only cost Agents their business, but the collective business of all of AHCP, valuable partners and Agents. Agents should review all of their current practices and be certain that they are always operating in total compliance.

- AHCP requires that all its hierarchies and Agents follow Carrier partners' solicitation, quoting and submission rules and practices.
- Comply with all state regulations and ethical practices in the areas where Agents and Sub-Agents market AHCP's insurance and ancillary products.
- Proper disclosure to clients protects Agents from liability and protects income by minimizing charge backs. It also protects Agents and Carriers from litigation.
- Proper recording of medical conditions on applications protects Agents from liability and protects your income by minimizing policy rescissions. It also protects the Agents and Carrier from damages.
- Proper submission of applications, as per Carrier requirements, is also imperative to protect Agents from exposure to Carrier or even state regulatory actions that can result in suspension or even loss of license.

AHCP provides periodic webinar training, on-demand training materials and live support to assist any hierarchy or Agent in proper practices for the marketing and submission of business.

If AHCP receives knowledge that Agent is not in compliance with its responsibilities of this Agreement, AHCP will make its best efforts to notify Agent in order to take the necessary steps to correct the error prior to a termination.

## **Carrier Requirements**

Individual Carriers will require additional Carrier specific documents to be executed by the Agent. Agents agree that they will properly comply with all Carrier requirements and execute any additional forms or documents required. Agents understand that the failure to execute any additional forms or documents required by the Carrier may result in forfeiture of commissions and appointment by Carrier.

Examples of these additional forms and documents include, but may not be limited to, HIPAA addenda, an Advance Lead and Pledge agreement, a Promissory Note, a direct deposit form, a W-9, etc. These specific forms, where applicable, will be attached to and made a part of the Producer Agreement.



### **Compensation**

Subject to all terms of the Producer Agreement, AHCP compensates Agents with the commissions as determined by AHCP and each Carrier.

Confirmation of first year and renewal percentages shall be made available to Agent upon written request to AHCP. Commissions may be modified by AHCP in accordance with changes imposed by Carriers, and when feasible AHCP shall provide ten (10) days' notice to Agent, which may be contained in any AHCP Field Bulletin or other written communication by AHCP to Agent. No commission shall be deemed earned until the policy is issued, delivered, and accepted by the applicant.

### **Payment of Commissions in the Event of Death or Incapacitation**

In the event of Agent's death or incapacitation, commissions for in- force business will continue to be paid to the Agent's estate, trustee, or legal custodian upon submission of the appropriate documentation to AHCP.

### **Reinstated Policies and Converted Policies**

No commissions shall be paid on lapsed policies. Reinstatement commissions are to be determined by each Carrier. Commissions on rewriting, replacement, or conversion of one form of policy to another (or on surrendered policies) are not covered by this Agreement but may be determined by AHCP on the basis of applications submitted.

### **Rejections**

Within the limitations of the law, AHCP and its Carriers reserve the right, at all times, to reject any application for insurance without specifying cause, and to cancel, refuse to renew, or modify any policy.

# AHCP INDEPENDENT AGENT STANDARDS

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## INTRODUCTION

This Amendment contains the Independent Agent Standards that apply to business written by Independent Agents (“Agent”) under the AHCP Producer Agreement (“Agreement”) with AHCP (hereafter referred to as the “Company”). The parties agree that the continued relationship between Company and Agent following the effective date of this Amendment shall constitute acknowledgment and acceptance by Agent of the terms of this Amendment and the Producer Agreement, as amended.

The Company is committed to operating its business in an ethical manner. When acting on behalf of the Company, Agent is also expected to act in an ethical manner. If you encounter any situations that may raise a question or concern regarding ethics, you are encouraged to contact a Company leader.

Agent is responsible for adhering to the Standards described in the most current version of this document at all times.

While the Company will always try to ensure that its policies and procedures are updated as laws change, it is the responsibility of Agent to be aware of and comply with all applicable laws and regulations.

The Company reserves the right to amend its policies or applicable Standards at any time for any reason.

## **PERSONAL INFORMATION SECURITY**

Pursuant to all applicable laws, Agent must develop security policies and procedures and establish limitations to control how Personal Information (“PI”) is collected, accessed, retained, and disposed. Agents are responsible for implementing and evaluating ongoing education and training for their employees, including temporary and contract employees, on the importance of protecting PI and the methods and means by which to do so. Agents must implement and maintain a Written Information Security Program (WISP) for each agent location as an effective way to protect against a security breach or identity theft. A WISP is a comprehensive plan that describes the actions an Agent is taking to protect customer and employee information.

## **PRIVACY INCIDENT REPORTING PROCESS**

Any known or suspected privacy incident involving a breach of security including, but not limited to, cases of unauthorized access, unauthorized disclosure, data theft<sup>1</sup>, or data loss<sup>2</sup> must be immediately reported via the Company’s Privacy Incident Reporting Process by contacting [PrivacyAHB@allstate.com](mailto:PrivacyAHB@allstate.com). Agent will work in conjunction with the Company to investigate and remediate the incident. In the event of a suspected breach, it is incumbent upon Agent to mitigate the incident and protect the information by such actions as resetting passwords and any other measures to protect and secure the data.

Upon conclusion of the incident, a record of the incident and responsive actions taken in connection with the incident must be documented in a responsive action log and should contain the following information: date of incident, summary and description of incident, and resolution. In order to create and implement a privacy incident mitigation strategy, Agent must complete and maintain an inventory of all paper, electronic, and other storage media used for business purposes that is located both internally and externally of their actual physical office location(s).

## **AUTHENTICATION OF PI**

In compliance with all applicable laws, a customer authentication process must be established and implemented before processing any customer request that involves the exchange of PI. PI must not be shared verbally or in writing with an individual unless the individual’s identity has first been verified and it is confirmed that the individual is authorized to receive the information. Except when a new insurance policy is being written for a customer, PI, in its entirety, must not be used for authentication purposes. Truncated PI<sup>3</sup> may be used as a form of authentication when no other form of authentication is available and has been approved by the Company. For example, only ask the customer for the last four digits of their Social Security Number rather than request the entire nine-digit number.

## **ACQUISITION AND USE OF PI**

PI must only be acquired, displayed, and used for specific lawful business purposes. The amount of PI collected should be limited to that which is reasonably necessary to complete the legitimate business transaction for which it is collected. PI must not be shared with Unauthorized Users<sup>4</sup>. These requirements apply to all documents and electronic data obtained, created, or maintained by Agent that contains PI owned by the Company, as defined above and in the Agreement, and any third party needing access to PI owned by the Company to perform its services. The Agent must protect prospects’ and customers’ personal information and privacy at all times.

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<sup>1</sup> “Data Theft” is the term used to describe when information is copied or taken from a business or an individual without their prior authorization.

<sup>2</sup> “Data Loss” is the term used to describe the disclosure (whether inadvertent or intentional) of information about a business or an individual.

<sup>3</sup> Truncating refers to the removal of characters from a character sequence in order to protect the confidentiality of the original information. As an example of truncating PII, the Social Security Number 123456789 could be represented as XXXXX6789.

<sup>4</sup> Unauthorized Users are defined as anyone who has not been granted approval to access Company (customer, prospect, and claimant) information and information systems.

## **STORAGE, TRANSMISSION, AND DISPOSAL OF PI**

Agent is required to ensure compliance with all applicable laws regarding record retention requirements including, but not limited to, record security and retention, special records retention exceptions, transmission, litigation holds, and appropriate disposal of information. Physical documents must be maintained in a secure manner to avoid access by unauthorized persons. Agents operating in New York must also adhere to the Information Security Requirements set forth in the Appendix as Exhibit A.

When disposing of PI related to Company business, it must be done in a secure manner so that it cannot be retrieved or reconstructed, and the confidentiality of the information is safeguarded.

All Agent vendors with access to PI related to Company business must also protect the PI consistent with applicable laws.

## **PERSONAL HEALTH INFORMATION**

Agent acknowledges that, in the course of their independent business operations, they may come into possession of Personal Health Information (PHI) pertaining to their clients and may be subject to various Business Associate Agreements. Agent agrees and warrants that they shall not disclose, share, or otherwise provide any PHI, as defined under the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and applicable state laws, to the Company under any circumstances.

Agent understands and agrees that all issues, disputes, or inquiries related to health insurance claims, including but not limited to claims submissions, denials, adjustments, or payments, must be exclusively handled between the Agent and the respective insurance company. Company shall not be involved in claims processing, claims resolution, or any activity requiring access to or discussion of PHI.

Agent represents and warrants that they will strictly comply with all applicable federal and state laws, including but not limited to HIPAA, in the handling, storage, and transmission of PHI. The Agent further agrees to implement appropriate safeguards to protect against the unauthorized use or disclosure of PHI.

Agent agrees to indemnify, defend, and hold harmless Company from and against any and all claims, liabilities, damages, costs, and expenses (including reasonable attorneys' fees) arising out of or related to the Agent's breach of this clause, including but not limited to any unauthorized disclosure or mishandling of PHI.

## **PASSWORD MANAGEMENT**

All passwords used to access Company systems must adhere to current system passwords requirements and must be maintained confidentially.

## **COMPLIANCE WITH CUSTOMER AND PROSPECT CONTACT RULES AND REGULATIONS**

Agents must adhere to the Company's corporate contact compliance policies, all state and federal laws and the Federal Communications Commission's (FCC) Telephone Consumer Protection Act (TCPA) which restricts calls, text messages and faxes.

The Company has adopted a zero-tolerance policy with respect to TCPA violations and any non-compliance may result in action up to and including termination of your relationship with the Company.

## **TERMINATION OF EMPLOYMENT OF AGENT EMPLOYEES WITH ACCESS TO COMPANY SYSTEMS**

When the employment of any person authorized to represent the Company is terminated, all usernames and passwords must be deleted to prevent access to any records containing PI related to Company business and physical access to any records containing PI related to Company business.

## **SOCIAL MEDIA**

Social media describes technologies people use to share opinions, insights, experiences, and perspectives. Social media can take many forms including text, images, audio, and video as well as profiles, articles, blogs, message boards, community groups, podcasts, wikis, and vlogs. The Company may take any measures it deems appropriate including but not limited to terminating the business relationship if Agent social media activity involving the Company and/or Company business involves:

- Defamatory, objectionable, offensive, or inflammatory statements;
- Improperly sharing PI or PHI;
- Improperly sharing Company trade secrets and/or confidential information; or
- Improper use of other Company intellectual properties such as logos.

Please understand that individual access to Company information does not imply or confer authority to act as a spokesperson for the Company concerning such information or to disclose such information to others, either internal or external to the Company. Prior written Company approval must be obtained before communicating Company business practices outside of the Company.

Be aware that the Company's Information Technology Usage policy specifically states that the Company retains the right to monitor and/or record any electronic media and information and the activity associated with it.

## **REMITTANCE**

Except as otherwise agreed to in writing by the Parties, all payments that Agent collects or receives on behalf of insurance companies are the property of the insurer and must be treated as trust funds and must be promptly accounted for and transmitted to the insurer without deduction for any purpose in the manner specified by the insurer.

Be aware that certain forms of payment, including cash, money orders, cashier's checks, traveler's check, and bank checks can be used in the placement phase of a money laundering scheme. Agent should manage this risk when accepting customer's premiums.

## **ANTI-MONEY LAUNDERING (AML)**

Pursuant to all applicable laws, Agent is responsible for adhering to the most current anti-money laundering requirements. Additional information can be found in the Anti-money-laundering act of 2020 and at Section 6050I (26 United States Code (U.S.C.) 6050I) and 31 U.S.C. 5331 require that certain information be reported to the IRS and the Financial Crimes Enforcement Network (FinCEN). This information must be reported on IRS/FinCEN Form 8300.

## **BUSINESS PROCEDURES**

Agent is not authorized to backdate the inception of any insurance policy, nor shall Agent backdate any endorsement to an insurance policy except to the extent expressly or implicitly authorized by the insurance policy to which the endorsement attaches. Agent may be authorized to bind new policies subject to the insurance companies' binding rules.

Agent shall not charge a prospective insured any policy fee on behalf of the Company or insurer unless such fee is prescribed in the insurer's rating software, underwriting guide, or other written instructions. However, nothing in this provision shall prohibit the charging of fees on behalf of Agent for services rendered solely by Agent to an insured and specifically authorized by law.

## APPENDIX

### EXHIBIT A

#### NEW YORK INFORMATION SECURITY REQUIREMENTS

1. Agent must maintain a cybersecurity program reasonably designed to protect the confidentiality, integrity, and availability of its information. Such program must include a written cybersecurity policy.
2. Agent must have written risk-based policies to monitor the activity of authorized users and detect unauthorized access or use of nonpublic information.
3. Agent must utilize qualified cybersecurity personnel, affiliates, or third parties; provide cybersecurity updates and training; and verify that key cybersecurity personnel take steps to maintain current knowledge of changing cybersecurity threats and countermeasures. Additionally, Agent must:
  - a) grant access to specific computer resources (systems, application functions, services) using a role-based access structure, which matches organizational roles with access authorizations necessary to perform the respective jobs;
  - b) segregate the duties for system engineering, security administration, and operations or implement controls to monitor sensitive system changes; and
  - c) have a formal security education and awareness training program or any regular informal security education efforts which includes acknowledgement of training. Such program shall include initial training given during the employee orientation and subsequent repeated communications of key security requirements.
4. Agent must have formal policies and procedures for the secure periodic disposal of sensitive information in print as well as in electronic formats.
5. Agent must have a written process for identification and removal of sensitive data before disposal of equipment (e.g. servers, desktops, laptops, networking hardware, etc.) as well as backup media (i.e. tapes, DVD/CD) requiring records of the hardware, vendor name, and date of destruction to be maintained of all hardware destroyed. A Certificate of Destruction (COD) must be obtained from the vendor providing the destruction services. Specifically,
  - a) confidential and restricted information must be kept in locked storage cabinets or areas until disposal;
  - b) for all systems that process or store confidential client information, after data is overwritten, modified, or deleted: no previous form of the data, including any encrypted representation, may remain on the system, including in memory, disk blocks, temporary files, or cache and no residual data may remain in the memory, temp files, or cache from any previous version of the data;
  - c) when a data store is deleted or destroyed, all authorized permissions to access that data store must be revoked to prevent those permissions from being abused; and
  - d) applications must purge all data from memory before releasing that memory.
6. Agent must use appropriate levels of access controls to ensure the confidentiality of data stored within databases and applications. Specific access roles must be defined and enforced via pertinent system, network, and/or application level privileges (read, write, execute).
  - a) Database encryption, field level encryption, or masking may be required if the Agent receives and processes certain types of confidential information.
  - b) Agent must enforce confidentiality of transmitted data by encrypting it at the network layer using VPN tunneling, at the session layer using SFTP or SSL, or at the file level using PGP or other PKI or symmetric key encryption solutions. If encryption of such is infeasible, the use of effective compensating controls to secure nonpublic information in transit over external networks and at rest is permissible if annually reviewed and approved by a designated employee responsible for the Agent's information security.
  - c) Agent must have a well-defined user registration and deregistration process that allows for effective assignment, modification, and removal of access to all systems, networks, and applications.
  - d) Agent must use effective controls to protect against unauthorized access to nonpublic information or information systems, including utilizing multi-factor authentication for any external network accessing the Agent's internal networks, unless the Agent's designated

employee responsible for information security has given written approval of equivalent or more secure access controls.

7. Agent must have written IT operations procedures (i.e. backup, administration, system hardening), including step-by-step instructions for key operational tasks within the IT environment that must be followed by the IT personnel responsible for system administration, backup, monitoring, and maintenance.
8. Agent must have written procedures, guidelines, and standards outlining the secure development practices for in-house developed applications and procedures for evaluating the security of externally developed applications utilized within the Agent's technology environment.
9. Agent must have written procedures for handling customer information, including a mechanism for removal of customer data upon termination of a business relationship.
10. Agent must have a clear account for all of its critical and sensitive assets.
11. Agent must be able to clearly identify the assets involved in exchange and processing of Nat Gen's data.
12. Agent must have an established process to identify patches as they are released, prioritize them and then stage them through non-production resources prior to making them available for deployment to production.
13. Agent must have an employee, contractor, and vendor termination process that includes security considerations (i.e. removal of access privileges, return of assets, and review of non-disclosure and confidentiality agreements). This process should facilitate close communication between the HR and IT departments in order to disable logical access in a timely and effective manner.
14. Agent must conduct a periodic risk assessment of its controls, information systems, and corresponding security related risks to the organization's information assets, updated as reasonably as necessary to address changes to the information systems, nonpublic information, or business operations. The risk assessment must be based on formal criteria for the evaluation and categorization of identified cybersecurity risks or threats facing the Agent; criteria for assessing the confidentiality, integrity, security, and availability of the Agent's information systems and nonpublic information; and requirements describing how identified risks will be mitigated or accepted, and how the cybersecurity program will address such risks. Based on the risk assessment, the Agent will:
  - a) periodically review and limit user access privileges to information systems that provide access to nonpublic information;
  - b) implement controls, including encryption, to protect nonpublic information held or transmitted by the Agent both in transit over external networks and at rest; and
  - c) develop policies and procedures addressing the security of information systems and nonpublic information accessible to, or held by, third party service providers, including guidelines for due diligence and/or contractual protections relating to third party service providers.
15. Agent must have a written incident response plan requiring prompt response to, and recovery from, any cybersecurity event materially affecting the confidentiality, integrity, or availability of the Agent's information systems or the continuing functionality of the Agent's business or operations including a requirement that Agent must notify National General's Enterprise Information Security Department of a data breach within 72 hours of discovery of the breach by emailing [PrivacyAHB@allstate.com](mailto:PrivacyAHB@allstate.com).
16. Agent must annually submit a written statement to the Superintendent covering the prior calendar year by February 15, certifying that the Agent is complying with the requirements set forth in 23 CRR-NY 500.



## Debit-Check Agent/Agency Authorization Form

Vector One Operations, LLC dba Vector One (collectively with its affiliates, "Vector One") manages the secured web portal interactive computer service provided by Debit-Check.com, LLC a ("Debit-Check"). This Debit-Check Agent/Agency Authorization Form is by and among the undersigned ("you", "me", "I" or "my"), Vector One, and the Company (as defined below) and is used by Debit-Check subscribers who desire to be granted authorization from you for the submission and/or receipt of your personal information to the Debit-Check service as necessary to conduct a commission related debit balance screening. The undersigned company and its affiliates and authorized third parties (collectively, the "Company") is a Debit-Check subscriber. Accordingly, as part of the contracting and appointment process or determination of eligibility for advancement of commissions, the Company may conduct a commission related debit balance screening via Debit-Check in order to determine your eligibility and may continue to conduct periodic commission related debit balance screenings as determined in the Company's sole discretion following the engagement of any employment, appointment, contract, tenure, or other relationship with the Company.

Access to Debit-Check Information: You can obtain your commission related debit balance information by contacting the Vector One Agent Hotline at (800) 860-6546.

### AGENT/AGENCY'S STATEMENT – READ CAREFULLY

The Company is hereby authorized to obtain and conduct a commission related debit balance screening through Vector One's Debit-Check secured web portal to determine if another Debit-Check subscriber has posted that I have an outstanding commission related debit balance. I understand that the Company may consider the results of the commission related debit balance screening in order to determine my eligibility to be contracted and appointed or determine my eligibility for advancement of commissions as an insurance producer and may continue to conduct periodic commission related debit balance screenings as determined in the Company's sole discretion following the engagement of any employment, appointment, contract, tenure, or other relationship with the Company. I understand and acknowledge that the Company may obtain commission related debit balance information through Debit-Check as state law allows. I understand that my information, including my name and social security number ("My Information") may be used for the purpose of obtaining and conducting a commission related debit balance screening. I further understand that in the event of termination or expiration of my employment, appointment, contract, tenure, or other relationship with the Company, whether voluntary or involuntary, if a commission related debit balance is owed to the Company, the Company may post My Information to the Debit-Check service which may be accessed by Debit-Check subscribers until such time the debit balance is satisfied or otherwise removed.

#### BY SIGNING BELOW, I HEREBY (PLEASE INITIAL ALL STATEMENTS):

(A) \_\_\_\_\_ Authorize the Company to use My Information for purposes of conducting a commission related debit balance screening, and periodic commission related debit balance screenings as determined in the Company's sole discretion following the engagement of any employment, appointment, contract, tenure, or other relationship with the Company, utilizing Debit-Check.

(B) \_\_\_\_\_ Authorize the Company to consider the results of the commission related debit balance screening in order to determine my eligibility to be contracted and appointed or determine my eligibility for advancement of commissions as an insurance producer.

(C) \_\_\_\_\_ Authorize and direct Vector One to receive and process My Information as necessary to intentionally disclose and furnish the results of my commission related debt verification screening, whether directly or indirectly, to the Company.

(D) \_\_\_\_\_ Authorize the Company to submit My Information to the Debit-Check service in the event of termination or expiration of my engagement with the Company, whether voluntary or involuntary, to the extent a commission related debit balance is owed to the Company.

(E) \_\_\_\_\_ Authorize and direct Vector One to receive and process My Information and intentionally disclose to any Debit-Check subscriber who submits an inquiry utilizing My Information the results of my commission related debit balance screening, which will contain My Information, to the extent a debit balance is owed.

Agent/Agency Printed Name: \_\_\_\_\_

Signature: \_\_\_\_\_

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

#### FOR COMPANY USE ONLY

##### AGREED AND ACKNOWLEDGED BY COMPANY:

Name of Company: \_\_\_\_\_

Signature: \_\_\_\_\_

Name and Title: \_\_\_\_\_