



**AHCP**  
America's Health Care Plan

Discover the  
**DIFFERENCE**  
with AHCP



## 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: \_\_\_\_\_

## UPLINE & COMMISSION

Direct Up-line/ Manager: \_\_\_\_\_ DP: \_\_\_\_\_  
Commission Level: \_\_\_\_\_ (Unsure? Contact your up-line)  
How did you hear about AHCP?  
☐ Online ☐ Job Posting ☐ Drip Marketing ☐ Referral \_\_\_\_\_  
(Name of Referral)  
Advance Options: ☐ 3 Month ☐ 6 Month ☐ As Earned

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

## APPOINTMENT INSTRUCTIONS

Appointment Checklist for: **National Health Insurance Company (NHIC) Agency Appointment**

- ☐ Page 1 AHCP Appointment Coversheet (this page)
- ☐ Page 2 Agency Appointment Checklist: Please make sure each item listed on this page has been completed in full before submission of appointment form.
- ☐ Page 3-43 NHIC Agency Appointment Form-to complete in full
- ☐ Page 44 W-9
- ☐ Page 45-48 AHCP Producer Agreement

### Additional Requirements:

- ☐ Copy of Licenses
- ☐ Copy of a Voided Check
- ☐ Copy of E&O Insurance Certificate
- ☐ Supporting documentation for any "Yes" answers to background questions

## RETURN INSTRUCTIONS

**Scan Email Option:** Send to [contracting@ahcpsales.com](mailto:contracting@ahcpsales.com)

**Fax Option:** 888-781-0586

**Mailing Address:** 1100 NW Compton Dr. 2<sup>nd</sup> Floor Beaverton, OR 97006

012915



NATIONAL HEALTH INSURANCE COMPANY

## AGENCY APPOINTMENT CHECKLIST

### *A Guide for Expedient Appointment Processing*

If a business entity is receiving commissions for its Principal Agent or any Sub-Agent that entity is required to follow all licensing protocol required by the state where business is being sold. Additionally an appointment will need to be established between the entity, NHIC and the states where business is being solicited. NHIC will not appoint an Agency before business has been submitted, with exception of two pre-appointment states: Georgia and Pennsylvania.

In order to request an Agency appointment complete and return all forms referenced below:

- ☐ Prospective Producer Profile  
*This should be completed by the Principal Agent*
- ☐ NHIC Agent Agreement  
*This should be completed if business will be submitted by the Principal Agent*
- ☐ NHIC Agency Agreement
- ☐ NHIC Business Associate Agreement
- ☐ NHIC Agent Advertising and Marketing Disclosure Form
- ☐ License Roster  
*This should be completed for the Agency and Principal Agent*
- ☐ Direct Deposit Authorization
- ☐ W9 (Included as an Attachment)



# PROSPECTIVE PRODUCER/AGENCY APPLICATION

NATIONAL HEALTH INSURANCE COMPANY

Marketing Organization \_\_\_\_\_

***Complete the following. Please print.***

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

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

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

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

Length of time at present address \_\_\_\_\_

If less than 5 years, please provide previous address(s)

\_\_\_\_\_

\_\_\_\_\_

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

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

***Complete the following if you are the Principal of an Agency/Business entity.***

Name of  
Agency \_\_\_\_\_

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

\_\_\_\_\_

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

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

***The following states require pre-appointment. Please answer the following questions.***

Do you have a Georgia license?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
Do you intend to submit business in Georgia?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
Do you have a Pennsylvania license?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
Do you intend to submit business in Pennsylvania	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>

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



# PROSPECTIVE PRODUCER/AGENCY APPLICATION

NATIONAL HEALTH INSURANCE COMPANY

*Please answer the following questions.*

		YES	NO
1	Have you ever had an appointment terminated by an insurance company or financial services institution for reasons other than production?		
2	Do you owe any debt or balance to any insurance company or financial institution that has remained overdue for more than sixty (60) days?		
3	Has any state or federal agency ever denied, suspended, revoked, or taken action against any fiduciary license held or applied for by you, or have you ever voluntarily submitted to any sanction or surrendered any fiduciary license under threat or suspension or revocation of that license?		
4	Have you ever had a claim filed against your Errors and Omissions coverage, or has any bonding company ever denied, paid out on, or revoked a bond for you?		
5	Have you ever been the subject of any civil or administrative proceeding, including one initiated by a state department of insurance?		
6	Do you have any felony charges pending against you, or have you ever pled guilty or nolo contendere to or been convicted of a felony or a crime involving moral turpitude?		
7	Do you have any unsatisfied liens, tax or otherwise, or judgments, civil or otherwise, against you?		
8	Have you been the subject of a bankruptcy petition or proceeding in the past seven (7) years?		

*If 'Yes', include details in the provided area below, or attach supporting documentation. If necessary, NHIC may request additional information.*

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## DISCLOSURE

- (1) I hereby represent that the answers and statements ("the information") I am providing National Health Insurance Company and its affiliates ("the Company") on this application ("PPA") are correct, complete, and wholly true.
- (2) I understand the Company will rely on the information as one factor in considering this PPA, and may, at its option, terminate or rescind our resulting business relationship if any of the information is not as I have provided it.
- (3) I give the Company, its employees, agents, and/or contractors permission to direct advertising or promotional calls, faxes, and electronic mail to the numbers and addresses listed above, as well as any others I provide. This permission continues until specifically revoked by me in writing.
- (4) I understand that this PPA will not be considered until I sign the Producer Background Authorization.

**Producer Signature** \_\_\_\_\_ **Date** \_\_\_\_\_

**National Health Insurance Company**  
**AGENT AGREEMENT**

THIS AGREEMENT is made and entered into as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between NATIONAL HEALTH INSURANCE COMPANY with offices located at 2200 Highway 121, Bedford, TX 76021, hereinafter called "the Company", and \_\_\_\_\_ with offices located at \_\_\_\_\_ ("Agent"). The Company and Agent may hereafter be referred to individually as a "Party" and collectively as the "Parties".

**WITNESSETH**

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

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

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

WHEREAS, the Company authorizes Program Manager to recruit Agent on behalf of the Company; and

WHEREAS, Agent desires to accept the engagement by the Company and the recruitment by Program Manager 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**

"Agent" means those individuals duly licensed as life, accident and health insurance agents.

"New Business" means those contracts entered into by the Company and Policyholder(s) each calendar year solely through the efforts of Agent where the effective date of the Master Policy is on or after the effective date of this Agreement or any renewal thereof and the employer was not a Policyholder prior to the date of the Master Policy arranged by Agent.

"Policyholder" means a Plan Sponsor (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").

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

"Products" means the various life, medical, dental benefit plans 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.

**National Health Insurance Company**  
**AGENT AGREEMENT**

“Program Manager” means the entity to which the Company maintains an agreement to provide certain marketing support services to Agent including but not limited to distribution of compensation payments, training of Agents and provisioning of marketing materials.

“Program” means the combination of the products offered by the Company plus ancillary insurance and non insurance goods and services not offered by the Company but which are provided through the Agent to Policyholders for the benefit of Enrollees.

## **II. REPRESENTATIONS AND WARRANTIES**

### **A. Representations and Warranties of Agent**

Agent hereby represents and warrants to The 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 its obligations hereunder.
2. Agent will comply with all applicable statutory and regulatory requirements, including but without limitation, maintaining, at all times that this Agreement is in effect, all licenses, certificates and permits required by any state in which Agent performs services for, or on behalf of the Company, as well as all other applicable State and Federal statutory and regulatory requirements, including HIPAA, during the term of this Agreement. Agent shall immediately notify the Company of any loss or suspension of its, or, on obtaining knowledge of, any Agent license. Agent shall immediately on learning thereof, notify The Company of any criminal, civil or administrative action involving Agent.
3. Agent hereby warrants and represents that: (i) 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 (ii) Agent has never suffered suspension or termination of the right to represent an insurance company for cause other than normal expiration of an agreement.

### **B. Representations and Warranties of the Company**

The 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 the Company's right or ability to enter into this Agreement or to fulfill its obligations hereunder.
2. The 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 the State of New York and in those states where it is authorized to provide insurance.

**National Health Insurance Company**  
**AGENT AGREEMENT**

**III. DUTIES OF THE AGENT**

1. The Agent shall forward applications on approved company forms for insurance policies of the Company to the Home Office or to Company's designated entity for consideration. The Agent shall deliver all policies promptly upon receipt of same from the Company. The Agent shall conduct the business in accordance with the insurance laws of the State and the Company's rules and regulations now in effect and as they may be revised from time to time.
2. The Agent shall make every reasonable effort to maintain in force all policies of the Company and shall render all reasonable assistance in connection therewith.
3. The Agent shall not incur any liability or expense for the Program Manager or the Company unless expressly authorized to do so.
4. The Agent shall maintain sufficient and accurate records for the performance of the business of the Company and such records shall be open for the inspection of the Program Manager and the Company or their authorized representatives at any time. Such records shall be the sole and exclusive property of the Company.
5. Verbal or written agreements made between the Agent and Program Manager shall not be the responsibility of the Company unless expressly approved by the Company
6. All products not provided by the Company which are provided by the Agent in a Program to a Policyholder shall be the sole responsibility of the Agent. Agent hereby agrees to indemnify and hold harmless The 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 not provided by the Company. This provision shall survive the termination of this Agreement.
7. Agent agrees to be fully familiar with the Products with the approval and assistance of the Program Manager.
8. Agent shall, comply with all of the Company's rules and/or regulations and/or requirements in existence as of the Effective Date and contained in the Company's Agent Manual (the "Manual"), and as may be modified by the Company from time to time, a copy of which will be provided to Agent.
9. Agent acknowledges and agrees that it has no 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.
10. Agent acknowledges and agrees that it shall have no authority to sign any contract, nor make any binding obligation, on behalf of the Company.
11. Agent acknowledges and agrees that it shall not directly or indirectly solicit, market or sell products in any state in which the Company is not licensed to sell and/or market

**National Health Insurance Company**  
**AGENT AGREEMENT**

insurance. The Company will provide a list of any such states, and any updates to such list, to Agent.

12. All monies received for the Company by the Agent for premiums, by reason of this Agreement, shall belong solely and exclusively to the Company and shall be collected only with prior approval of the Company and subject to the Company's procedures relating thereto. If the Company authorizes Agent to collect and hold premiums, such monies shall be received and held by the Agent in a fiduciary capacity and only in an interest bearing account which shall be deemed in trust for the Company, and shall be paid over in full to the Company as and when directed. The interest accrued shall be payable to the Company.
13. The Agent shall be responsible to and shall indemnify the Company for the acts and/or omissions of employees.
14. 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 the 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.
15. Agent shall not 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 the Company and Policyholders.
16. All printed materials, applications, sales literature and other written material which The Company may furnish to Agent shall remain the property of the Company, subject at all times to its control, and Agent shall return all such materials to the Company immediately upon the termination of this Agreement or upon the Company's request.
17. Agent 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 the Company, and shall make no oral or written alteration, modification or waiver of any of the terms or conditions applicable to the Products.
18. The Agent 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.
19. The 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.
20. Agent shall promptly report any and all inquiries from regulatory agencies directly to the Company and shall fully cooperate and support the Company's investigations and response to said inquiries. Further, Agent agrees to collect and report all formal customer complaints (complaints that are in writing and/or appeals directed to the Master Policyholder), irrespective is such complaints require action by the Company. Agent shall provide data noting the complainant, date received, date closed, narrative



**National Health Insurance Company**  
**AGENT AGREEMENT**

on the issue, final disposition of the complaint and root cause/summary of the complaint. Such data shall be provided to the Company or the Company's designee on a quarterly basis.

21. Agent shall maintain errors and omissions insurance with a reputable carrier during the term of this Agreement in an amount reasonably required by the 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 the Company within one business day of any reduction, modification, cancellation or termination of such coverage.

**IV. COMPENSATION**

- A. The Agent shall be paid directly by the Program Manager. The Agent acknowledges and agrees that the Company, its administrative agent and Policyholders shall have no liability whatsoever to Agent with respect to compensation paid or payable to Agent by the Program Manager.

**V. GENERAL PROVISIONS**

A. Term and Termination

1. The term of this Agreement shall be for three (3) years, 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. This Agreement may be terminated:
  - a) at the end of a term by either party for any or no reason by giving 90 days' prior written notice of termination to the other party at any time this Agreement is in effect. In such case, termination shall be effective at the end of the term. After the effective date of termination, the Agent shall be precluded from marketing new or renewal business on behalf of the Company and shall return to the Company any and all documents furnished to the Agent by the Company.
  - b) by either party effective immediately with written notice, with termination effective on the date of mailing, for the following causes:
    - (1) The 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; or
    - (2) The assignment by the other party of all or substantially all of its assets for the benefit of its creditors; or
    - (3) The inability of the other party to pay its debts as they become due; or
    - (4) upon the termination of all Policies by the Company in accordance with the termination provisions of each of such Policy or the withdrawal of any particular policy or product by the Company from the marketplace in accordance with relevant law; or

## **National Health Insurance Company**

### **AGENT AGREEMENT**

- (5) upon the discovery of any fraudulent or material misrepresentation of Agent;  
or
  - (6) 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 the 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
  - (7) upon accounting irregularities as adjudged solely by the Company; or
  - (8) if Agent becomes subject to a regulatory investigation of any nature, unless the Company is satisfied with the outcome of such investigation; or
  - (9) upon the commitment of any gross negligence or reckless misconduct by the Agent in connection with this Agreement as determined solely by The Company; or
  - (10) by the Company immediately 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
  - (11) by the Company, upon termination or a change in the ownership and control of Program Manager; or
  - (12) 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.
- 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 the Company or by the Agent on the 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 the Company's request, after termination, Agent agrees to continue to provide reasonable account support services to the Company until such time as the Company,

**National Health Insurance Company**  
**AGENT AGREEMENT**

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

**B. Indemnification**

1. Agent shall indemnify, defend and hold the 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, that are determined in a final adjudication as arising from or related in any way to: (i) any and all services negligently rendered hereunder by Agent, its officers, directors, employees, and independent contractors, and/or any negligent omission with respect to such services; (ii) any unauthorized warranties made by Agent, its officers, directors, employees, or independent contractors with respect to the Products, whether express or implied; (iii) any breach by Agent, its officers, directors, or employees of its agreements, obligations, representations and warranties hereunder; and (iv) any violation by Agent, its officers, directors, employees, or independent contractors of federal, state or local laws or regulations or other requirements.
2. The Company shall indemnify, defend and hold Agent, its 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) the negligence or omission of the Company, its officers, directors or employees, as determined by a court of competent jurisdiction; (ii) any breach by the Company, its officers, directors or employees of its agreements, obligations, representations and warranties hereunder, as determined by a court of competent jurisdiction; and (iii) any violation by the Company, its officers, directors or employees of federal, state or local laws or regulations or other requirements.
3. The indemnifying Party shall be informed of any claim, suit, demand or liability as soon as the indemnified Party becomes aware thereof and may thereafter, at its option, contra' any suit, proceeding or settlement, provided, however, that the indemnified Party may, at its own expense, engage its own attorney.
4. This Section shall survive termination of the Agreement.

**C. Intellectual Property**

1. In no event shall either Party use the name, 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 symbol, trademarks or service marks.
3. Upon termination of this Agreement, The Company and Agent shall cease to use one another's name, symbol, trademarks, service marks and/or any other proprietary

**National Health Insurance Company**  
**AGENT AGREEMENT**

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 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 Enrollees. All such information of Enrollees shall also be considered to be confidential by General Agent and Representatives 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. Agent shall, upon the Company's request, enter into a Business Associate Agreement with the Company.
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 telecopy, overnight courier or certified mail, return receipt requested:
  - a) To The Company:
  - b) To Agent at the address shown on the signature page.

**National Health Insurance Company**  
**AGENT AGREEMENT**

2. Notice shall be effective in the case of telecopy, when sent with confirmed transmission; overnight courier, the day delivered; and certified mail, three (3) days after letter is deposited, postage prepaid, in a United States post office depository.

**F. Governing Law**

This Agreement shall be governed, construed and enforced in accordance with the law the State of New York. All disputes arising hereunder shall be venued in the Texas. In the event that one or more of the provisions herein shall invalid, illegal or unenforceable in any respect, the validity, legality and enforcement of the remaining provisions shall not be affected or impaired. This Agreement shall automatically be deemed amended to comply with all applicable laws and regulations.

**G. Assignment**

The Company may delegate some of its responsibilities hereunder to its administrative agents. The 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. The 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. The 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.

**J. Reports and Audits**

1. The Agent shall maintain sufficient and accurate records for the performance of the business of the Company and such records shall be open for the inspection of the Company or its authorized representatives at any time. Such records shall be the sole and exclusive property of the Company.
2. Agent, agrees to maintain all documents, records and other information concerning its arrangements with Policyholders for at least six (6) years following the termination of

**National Health Insurance Company**  
**AGENT AGREEMENT**

this Agreement, or such longer period as may be required by law, and to make such documents, records and information available to the Company and Policyholders on request. This provision shall survive the termination of this Agreement.

3. Each party agrees to allow the other party to audit all relevant books and records upon at least five (5) business days' prior written notice and during regular business hours. Each party is solely responsible for its own expenses in connection with conducting the audit.
4. 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 the Exhibits annexed hereto, constitute the entire agreement and understanding between and among the Parties hereto and supersedes all prior agreement and understandings relating to the subject matter of this Agreement. Neither Agreement nor any provision hereof may be changed, waived, discharged or terminated orally but only by a writing signed by the Parties hereto. This Agreement and any exhibit hereto, may be subject to regulatory review and/or approval and, in such event, shall, unless otherwise permitted by relevant law or regulation, be of no force or effect until such review has been completed and/or such approval is received by the Company and/or the Agent.

**National Health Insurance Company**  
**AGENT AGREEMENT**

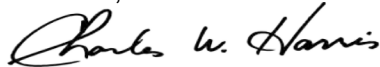
IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed as of this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_.

["The Company"]

National Health Insurance Company

2200 Highway 121

Bedford, TX 76021



\_\_\_\_\_

\_\_\_\_\_

Signature and Date

\_\_\_\_\_

Signature and Date["Agent"]

\_\_\_\_\_ [Name/Title]

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

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

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

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

THIS AGREEMENT is made and entered into as of the \_\_\_\_\_ day of \_\_\_\_\_, by and between NATIONAL HEALTH INSURANCE COMPANY with offices located 2200 Highway 121, Bedford, TX 76021, hereinafter called "the Company", \_\_\_\_\_ ("Program Manager"), with offices located at \_\_\_\_\_, \_\_\_\_\_ ("Agency"), with offices located at \_\_\_\_\_ and \_\_\_\_\_ ("Designated Responsible Party") with offices located at \_\_\_\_\_. The Company, Program Manager and Agency may hereafter be referred to individually as a "Party" and collectively as the "Parties". For the purposes of this Agreement, the Agency and Designated Responsible Party shall be collectively referred to as the "Agency" except where specifically noted otherwise.

**WITNESSETH**

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

WHEREAS, Agency is a [not] for-profit corporation organized pursuant to the laws of the State of \_\_\_\_\_ and licensed by the State Departments of Insurance in the states where it conducts business as a life, accident and health insurance agent, engaged in the business of selling, marketing and servicing insurance policies through licensed insurance agents; and

WHEREAS, Designated Responsible Party is an individual licensed by the State Departments of Insurance in the states that do not permit licensure of Agencies where it conducts business as a life, accident and health insurance agent, engaged in the business of selling, marketing and servicing insurance policies through licensed insurance agents and agrees to meet all the terms and conditions for the Agency in this Agreement for the states that do not allow licensure of agencies; and

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

WHEREAS, the Company authorizes Program Manager to appoint Agency on behalf of the Company; and

WHEREAS, Agency desires to accept the engagement by the Company and the appointment by Program Manager 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 life, accident and health insurance agents or brokers who are members of Agency's agent distribution network are contracted as such with Agency and have been approved by the Company. Agents are also referred to herein as Representatives.

"New Business" means those contracts entered into by the Company and Policyholder(s) each calendar year solely through the efforts of Agency and its agent/broker



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

distribution network where the effective date of the Master Policy is on or after the effective date of this Agreement or any renewal thereof and the employer was not a Policyholder prior to the date of the Master Policy arranged by Agency.

"Policyholder" means a Plan Sponsor (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").

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

"Products" means the various life, medical, dental benefit plans 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.

"Program" means the combination of the products offered by the Company plus ancillary insurance and non insurance goods and services not offered by the Company but which are provided through the Agency to Policyholders for the benefit of Enrollees.

"Program Manager" means the entity to which the Company maintains an agreement to provide certain marketing support services to Agency including but not limited to distribution of compensation payments, training of Agents and provisioning of marketing materials

**B. REPRESENTATIONS AND WARRANTIES**

**A. Representations and Warranties of Agency**

Agency hereby represents and warrants to The Company:

1. 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.
2. Agency will, and shall require its Representatives to, comply with all applicable statutory and regulatory requirements, including but without limitation, maintaining, at all times that this Agreement is in effect, all licenses, certificates and permits required in any state in which Agency performs services for, or on behalf of the Company, as well as all other applicable State and Federal statutory and regulatory requirements, including HIPAA, during the term of this Agreement. Agency shall immediately notify the Company of any loss or suspension of its, or, on obtaining knowledge of, any Representative's license. Agency shall immediately on learning thereof, notify The Company of any criminal, civil or administrative action involving Agency or the Representatives.
3. Agency hereby warrants and represents that: (i) 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 (ii) 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.

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

**B. Representations and Warranties of the Company**

The Company hereby represents and warrants to Agency:

1. There is no restriction or limitation, by reason of any law, regulation, contract, agreement or otherwise, upon the Company's right or ability to enter into this Agreement or to fulfill its obligations hereunder.
2. The 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 the State of New York and in those states where it is authorized to provide insurance.

**C. DUTIES OF THE AGENCY**

A. Agency will perform the following marketing functions on behalf of the Company. Agency shall perform such services based on its understanding that the Company is relying on Agency to perform such services for all business written through that Agency, and that in providing these services, the Company will not duplicate these services.

1. The Agency will participate in the development of Programs on behalf of the Company and in accordance with the Company's guidelines and rules.
  - a) Prior to any marketing, the Company must review and approve all products included in a Program. The Agency may not use the Company's logo, service or trade marks or marketing materials without the Company's prior consent, which shall not be unreasonably withheld or delayed.
  - b) All products not provided by the Company which are provided by the Agency in a Program to a Policyholder shall be the sole responsibility of the Agency. Agency hereby agrees to indemnify and hold harmless The 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 not provided by the Company. This provision shall survive the termination of this Agreement.
2. The Agency shall promote the interest of the Company and shall carefully develop, supervise, direct and exercise control over the Representatives:
  - a) Agency shall perform all due diligence on prospective Representatives as set forth herein and 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 which will be provided to Agency.
  - b) Where applicable and upon satisfactory completion of due diligence activities as referenced above, Agency shall prepare a request and submit it to the Company together with Agency's recommendation and certification that the prospective

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

Representative satisfies all of the Company's requirements for Agents. The Company reserves the right to refuse to appoint any proposed Agent and if previously appointed by the Company, to terminate such appointment at its sole discretion. No prospective Representative shall be considered a Agent unless and until approved by the Company.

- c) Agency warrants that it has, and shall require that: (i) the Representatives currently have, and in the future will obtain any and all licenses required by state or local laws or regulations required to perform the services contemplated by this Agreement; and (ii) that the Representatives shall 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 The 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 save harmless the Company and Policyholders from all liability for same. Agency shall ensure that Representatives maintain workers compensation, as applicable, and errors and omissions insurance in industry standard or statutorily required amounts.
- d) Agency shall notify the 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.
- e) Agency agrees to train the Representatives to be fully familiar with the Products with the approval and assistance of the Company
- f) Agency shall, and shall require Representative to, comply with all of the Company's rules and/or regulations and/or requirements in existence as of the Effective Date and contained in the Company's Agent Manual (the "Manual"), and as may be modified by the Company from time to time, a copy of which will be provided to Agency.
- g) Agency acknowledges and agrees that neither it nor the 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.
- h) 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 the Company. Approval will arise, if at all, from strict adherence to underwriting, eligibility and other criteria established solely by the Company and Policyholders.
- i) All agreements between Agency and Representatives relating to the sale of the Company's Products shall be in writing.

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

- j) Agency acknowledges and agrees that neither Agency nor the Representatives shall directly or indirectly solicit, market or sell products in any state in which the Company is not licensed to sell and/or market insurance. The Company will provide a list of any such states, and any updates to such list, to Agency.
- 3. All monies received for the Company by the Agency for premiums, by reason of this Agreement, shall belong solely and exclusively to the Company and shall be collected only with prior approval of the Company and subject to the Company's procedures relating thereto. If the Company authorizes Agency to collect and hold premiums, such monies shall be received and held by the Agency in a fiduciary capacity and only in an interest bearing account which shall be deemed in trust for the Company, and shall be paid over in full to the Company as and when directed. The interest accrued shall be payable to the Company. The Agency shall be responsible to the Company for the acts and/or omissions of its Representatives, agents and employees and shall require its Representatives to be responsible to, and to indemnify, the Company and Agency for the acts and/or omissions of the Representatives and their agents and employees.
- 4. 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 the 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.
- 5. 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 the Company and Policyholders.
- 6. All printed materials, applications, sales literature and other written material which The Company may furnish to Agency and which Agency may furnish to Representatives shall remain the property of the Company, subject at all times to its control, and Agency shall return all such materials to the Company immediately upon the termination of this Agreement or upon the Company's request.
- 7. 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 the Company, and shall make no oral or written alteration, modification or waiver of any of the terms or conditions applicable to the Products.
- 8. The Agency 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.
- 9. The 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 the Representatives, irrespective of the reason or cause for such failure or refusal.

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

10. 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:
- a) as necessary, addressing Enrollees and Policyholder inquiries concerning benefits whether in person, by telephone, or via correspondence;
  - b) communicating as necessary with the Company's enrollment department concerning initial and monthly enrollments, terminations and contract effective and renewal dates;
  - c) 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;
  - d) acting as a distribution source supplying all Representatives with marketing literature and materials as needed; assisting in facilitating the premium collection process; and
11. Agency shall promptly report any and all inquiries from regulatory agencies directly to the Company and shall fully cooperate and support the Company's investigations and response to said 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 if such complaints require action by the 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 the Company or the Company's designee on a quarterly basis.
12. Agency shall maintain errors and omissions insurance with a reputable carrier during the term of this Agreement in an amount reasonably required by the 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.

**D. COMPENSATION**

- A. The Agency shall be paid directly by the Program Manager. The Agency acknowledges and agrees that the 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.

**E. GENERAL PROVISIONS**

- A. Term and Termination

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

1. The term of this Agreement shall be for three (3) years, 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. This Agreement may be terminated:
  - a) at the end of a term by either party for any or no reason by giving 90 days' prior written notice of termination to the other party at any time this Agreement is in effect. In such case, termination shall be effective at the end of the term. After the effective date of termination, the Agency shall be precluded from marketing new or renewal business on behalf of the Company and shall return to the Company any and all documents furnished to the Agency by the Company.
  - b) by either party effective immediately with written notice, with termination effective on the date of mailing, for the following causes:
    - (1) The 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 the other party of all or substantially all of its assets for the benefit of its creditors; or
    - (3) The inability of the other party to pay its debts as they become due; or
    - (4) upon the termination of all Policies by the Company in accordance with the termination provisions of each of such Policy or the withdrawal of any particular policy or product by the Company from the marketplace in accordance with relevant law; or
    - (5) upon the discovery of any fraudulent or material misrepresentation of Agency; or
    - (6) 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 the 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
    - (7) upon accounting irregularities as adjudged solely by the Company; or
    - (8) if Agency becomes subject to a regulatory investigation of any nature, unless the Company is satisfied with the outcome of such investigation; or
    - (9) upon the commitment of any gross negligence or reckless misconduct by the Agency in connection with this Agreement as determined solely by The Company or

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

- (10) by the 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
  - (11) 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
- 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 the Company or by the Agency on the 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 the Company's request, after termination, Agency agrees to continue to provide reasonable account support services to the Company until such time as the Company, or its designee, assumes the account support services responsibilities. Agency further agrees that it shall reasonably cooperate with the Company to assure an orderly transition of marketing and account support services to the Company or its designee.

**B. Indemnification**

- 1. Agency shall indemnify, defend and hold the 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, that are determined in a final adjudication as 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) 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.

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

2. The Company shall indemnify, defend and hold Agency, its 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) the negligence or omission of the Company, its officers, directors or employees, as determined by a court of competent jurisdiction; (ii) any breach by the Company, its officers, directors or employees of its agreements, obligations, representations and warranties hereunder, as determined by a court of competent jurisdiction; and (iii) any violation by the Company, its officers, directors or employees of federal, state or local laws or regulations or other requirements.
3. The indemnifying Party shall be informed of any claim, suit, demand or liability as soon as the indemnified Party becomes aware thereof and may thereafter, at its option, contra' any suit, proceeding or settlement, provided, however, that the indemnified Party may, at its own expense, engage its own attorney.
4. This Section shall survive termination of the Agreement.

**C. Intellectual Property**

1. In no event shall either Party use the name, 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 symbol, trademarks or service marks.
3. Upon termination of this Agreement, The 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.

**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 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. All such information of Enrollees shall also be considered to be confidential by Agency and Representatives and governed by applicable HIPAA regulations. This



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

information shall not be disclosed to entities or persons not a party to this Agreement unless required or authorized by law.

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. Agency shall, upon the Company's request, enter into a Business Associate Agreement with the Company.
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 telecopy, overnight courier or certified mail, return receipt requested:
  - a) To The Company: National Health Insurance Company 2200 Highway 121, Bedford, TX 76021 Attn: President
  - b) To Program Manager at the address shown on the signature page.
  - c) To Agency at the address shown on the signature page.
2. Notice shall be effective in the case of telecopy, when sent with confirmed transmission; overnight courier, the day delivered; and certified mail, three (3) days after letter is deposited, postage prepaid, in a United States post office depository.

**F. Governing Law**

This Agreement shall be governed, construed and enforced in accordance with the law the State of New York. All disputes arising hereunder shall be venued in the New York Supreme Court in and for New York County. In the event that one or more of the provisions herein shall invalid, illegal or unenforceable in any respect, the validity, legality and enforcement of the remaining provisions shall not be affected or impaired. This Agreement shall automatically be deemed amended to comply with all applicable laws and regulations.

**G. Assignment**

The Company may delegate some of its responsibilities hereunder to its administrative agents. The Company reserves the right to assign, delegate, subcontract, or otherwise transfer its rights, obligations and/or interests under this Agreement to a different

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

administrative agent and to Policyholders. The 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.

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

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. The 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.

J. Reports and Audits

1. The Agency shall maintain sufficient and accurate records for the performance of the business of the Company and such records shall be open for the inspection of the Company or its authorized representatives at any time. Such records shall be the sole and exclusive property of the Company.
2. Agency, on behalf of itself and the Representatives, agrees to maintain all documents, records and other information concerning its arrangements with Policyholders for at least six (6) 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 the Company and Policyholders on request. This provision shall survive the termination of this Agreement.
3. Each party agrees to allow the other party to audit all relevant books and records upon at least five (5) business days' prior written notice and during regular business hours. Each party is solely responsible for its own expenses in connection with conducting the audit.
4. 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 the Exhibits annexed hereto, constitute the entire agreement and understanding between and among the Parties hereto and supersedes all prior agreement and understandings relating to the subject matter of this Agreement. Neither Agreement

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

nor any provision hereof may be changed, waived, discharged or terminated orally but only by in writing signed by the Parties hereto. This Agreement and any exhibit hereto, may be subject to regulatory review and/or approval and, in such event, shall, unless otherwise permitted by relevant law or regulation, be of no force or effect until such review has been completed and/or such approval is received by the Company and/or the Agency.

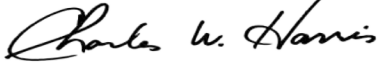
**NATIONAL HEALTH INSURANCE COMPANY  
AGENCY MARKETING SERVICES AGREEMENT**

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed as of this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_

["The Company"]

["Agency"]

National Health Insurance Company



Signature and Date

Charles W Harris

President

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_+

\_\_\_\_\_

Signature and Date

["Program Manager"]

["Designated Responsible Party"]

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Signature and Date

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_+

Signature and Date

## BUSINESS ASSOCIATE AGREEMENT

THIS BUSINESS ASSOCIATE AGREEMENT (this “**Agreement**”) is entered into as of \_\_\_\_\_ (the “**Effective Date**”), by and between National Health Insurance Company, a Texas corporation, its parent, affiliates, related entities, and subsidiaries, with offices located at 2200 Highway 121, Bedford, Texas 76021 (the “**Covered Entity**”), and \_\_\_\_\_ of \_\_\_\_\_ corporation (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 have access to and/or receive from Covered Entity certain Protected Health Information 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 \_\_\_\_\_.

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 [Company].

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

1.13 ***“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, including, without limitation, the services to be provided by Business Associate under that Third Party Administrator and General Agency Producer Marketing Agreement between Business Associate and 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 provided or made

available by Covered Entity for any 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 used or further disclosed only as Required by Law or for the purpose for which it was disclosed to the person, and (ii) the person to whom the Protected Health Information is disclosed agrees to 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) such person 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, received, or maintained 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.**

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, receives, maintains, or transmits on behalf of Covered Entity; and to ensure that any agent, including a subcontractor, to whom Business Associate provides such information, agrees to implement reasonable and appropriate safeguards to protect it by requiring agents and subcontractors to enter into a written agreement that meets the requirements of a business associate agreement as set forth in 45 CFR 164.504(e)(i).

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 any:

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

ii. Security incidents in regard to the Electronic Protected Health Information of which Business Associate becomes aware.

4.4 **Subcontractors and Agents.** Business Associate will use commercially reasonable efforts to ensure that any agent, including a subcontractor, to whom Business Associate provides Protected Health Information, created or received by Business Associate on behalf of Covered Entity, agrees (or has agreed) to:

i. The same restrictions and conditions that apply to Business Associate in this Agreement to such Protected Health Information; and

ii. Implement reasonable and appropriate safeguards to protect the Electronic 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 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 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 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 received from, or created or received 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. 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 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 by 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 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 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):

If to Covered Entity:

National Health Insurance Company  
2200 Highway 121  
Bedford, TX 76021  
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 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.

**IN WITNESS WHEREOF**, Business Associate and Covered Entity have caused this Agreement to be signed and delivered by their duly authorized representatives, effective as of the Effective Date.

**BUSINESS ASSOCIATE:**

\_\_\_\_\_

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

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

Title: \_\_\_\_\_

**COVERED ENTITY:**

**NATIONAL HEALTH INSURANCE  
COMPANY**

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

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

Title: \_\_\_\_\_





NATIONAL HEALTH INSURANCE COMPANY

## **ADVERTISING, PROMOTIONS AND MARKETING POLICY**

NHIC is committed to assuring that advertising and sales promotion materials for NHIC 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 NHIC marketers, must have the written approval NHIC's Compliance Department prior to use.

Many states mandate the filing of all advertising material, which must be approved prior to the use of any material. Accordingly, NHIC requires that any advertisement desired to be distributed, printed or televised be pre-approved by NHIC and where applicable the appropriate state departments. NHIC reserves the right to impose immediate cease and desist of the use of any material distributed, printed or aired without NHIC's written pre-approval. This includes material that has been altered after NHIC's approval.

The central theme of all state laws and regulations governing advertising is that advertising must 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 based upon 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.

Often, what is and is not "advertising" is not apparent. The NAIC Model defines the term "advertisement" to include virtually any marketing or sales practice in any medium designed to create interest in (1) an insurer, (2) 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.

NHIC broadly defines "advertisement" to encompass any materials that are used in conjunction with the marketing or sale of any NHIC product and/or service. That includes letters, newsletters, advertisements, third party materials, and seminar and training materials, regardless of the media used. Examples of advertising materials include:

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

Note that the above list is by no means exhaustive. Anything that is used to create interest in NHIC or an NHIC product may be construed as advertising.



NATIONAL HEALTH INSURANCE COMPANY

## ADVERTISING, PROMOTIONS AND MARKETING POLICY

Agents, Agencies, General Agents and Program Managers are obligated to assure unambiguous advertising.

### **Guidelines for Describing NHIC Products**

1. These guidelines are provided to assist you in understanding the fundamentals of ethical advertising; they are by no means exhaustive.
2. Materials should be neither slanted to target only those consumers whose medical conditions would otherwise prevent them from qualifying for major medical coverage, nor discourage them from purchasing by actively soliciting only healthy enrollees.
3. 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 NHIC for approval prior to publishing. The Compliance Department shall review all advertisement materials for compliance with State Insurance Laws. The NHIC Compliance Department will maintain a system of control over the content, form and method of dissemination of all advertisements of NHIC products.
4. Advertising should avoid statements that are blanket such as "most charges covered" or "no copays or coinsurance."
5. 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.
6. 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.
7. Any advertisement that is an invitation to contract shall, in negative terms, 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 "preexisting condition" without an appropriate definition or description and the relating policy limitations shall not be used.
8. 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 not insurance or a discount plan or is not affiliated with NHIC, this must be clearly, and unambiguously disclosed in the advertisement.
9. NHIC 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. FYI, if a prospect chooses to purchase a package that includes an NHIC product, the insurance premium attributed to their NHIC policy will be identified in the new member fulfillment material.
10. There will be the need for certain descriptors on marketing materials. Standard caveats are contained below:



NATIONAL HEALTH INSURANCE COMPANY

## ADVERTISING, PROMOTIONS AND MARKETING POLICY

- *These benefits are provided under an insurance policy underwritten by National Health Insurance Company. Coverage is subject to the company's underwriting guidelines, exclusions, limitations, terms and conditions of coverage as set forth in the insurance policy and certificate. The policy may be cancelled and rates may be increased at the insurer's option.*
- *This insurance is not basic health insurance or major medical coverage and is not designed as a substitute for basic health insurance or major medical coverage. In some circumstances benefits provided will vary as required by state law and the plan may not be available in all states. The insurer has the right to increase premium rates and has the option to cancel coverage.*
- *These plans are offered through an Association and require membership in the association. The association fee, as well as the costs for the other benefits, is included in the monthly rates.*

11. Advertising materials, once approved by the NHIC, may only be used for their intended purposes.

### **Acknowledgement**

If you have questions, please call the NHIC Client Relations or Compliance Departments at 888-781-0585.

**I have read and understand this document, and accept and will comply with NHIC's Advertising, Promotion and Marketing policy and procedures.**

### **For an Agent:**

\_\_\_\_\_  
Agent name (when applicable)

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Address

\_\_\_\_\_  
Agent NPN

# DIRECT DEPOSIT AUTHORIZATION

---

## ACCOUNT INFORMATION

Full Name (Name as it appears on the account)	
Name of Bank/Credit Union	
Routing No.	
Account No.	

## AUTHORIZATION

I, \_\_\_\_\_ certify that I am an authorized owner of the above referenced account and hereby authorize and instruct the Company to deposit my paycheck or other periodic automatic credit into the account referenced above, and to discontinue any other direct deposits that are currently in place. The request is to remain in effect until changed by me in writing.

---

SIGNATURE

DATE

## Request for Taxpayer Identification Number and Certification

Give Form to the  
requester. Do not  
send to the IRS.

Print or type  
See Specific Instructions on page 2.

Name (as shown on your income tax return)

Business name/disregarded entity name, if different from above

Check appropriate box for federal tax classification:

☐ Individual/sole proprietor    ☐ C Corporation    ☐ S Corporation    ☐ Partnership    ☐ Trust/estate

☐ Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶

☐ Other (see instructions) ▶

☐ Exempt payee

Address (number, street, and apt. or suite no.)

Requester's name and address (optional)

City, state, and ZIP code

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 the "Name" line to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

**Note.** If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

#### Social security number

			-			-				
--	--	--	---	--	--	---	--	--	--	--

#### Employer identification number

			-							
--	--	--	---	--	--	--	--	--	--	--

### 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).

**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 on page 4.

Sign  
Here

Signature of  
U.S. person ▶

Date ▶

### General Instructions

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

#### Purpose of Form

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.

**Note.** If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

**Definition of a U.S. person.** For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

**Special rules for partnerships.** Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.



## PRODUCER AGREEMENT

This MARKETING AGREEMENT (“Agreement”) is entered into by and between America’s Health Care/RX Plan AGENCY, Inc., a Delaware Corporation (“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 authorized Carriers. “Carrier” means any insurance company or membership association with whom AHCP has entered into a master marketing agreement.

**2. Relationship and Authority.** The relationship of Agent to AHCP and scope of authority are set forth in the [Agent Guidelines](#). Agent and Sub-Agents must be properly licensed and approved and appointed by AHCP. “Sub-Agent” means a person or entity that has executed a Producer Agreement with AHCP. Sub-Agents may be solicited by Agent or assigned to Agent by AHCP. Once the Sub-Agent’s paperwork has been submitted and approved by AHCP, the Sub-Agent will be enrolled with all AHCP Carriers under the Agent. A Sub-Agent may not sell products from different AHCP Carriers under different Agents. Agent agrees to comply with the liability insurance requirements set forth in the [Agent Guidelines](#). Agent shall be solely responsible for paying all expenses incurred by Agent in performance of this Agreement, including all license fees, appointment fees, bond fees, and fees and taxes required by any federal, state, or local government. 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 Agent has sold business, they 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.

**3. Commissions.** Subject to all terms of the Agreement, AHCP or its delegate will compensate Agent with the commissions as determined by each Carrier. AHCP does not impose a vesting schedule on Agent. Agent is immediately vested per each Carrier’s requirements. AHCP will use reasonable efforts to provide vesting information from Carriers to Agent. Confirmation of 1st year and renewal percentage shall be made available to Agent upon written request to AHCP. Commissions may be modified by AHCP within ten (10) days notice to Agent as set forth in [Agent Guidelines](#). Commissions paid to Agent will be net of any commissions paid to the Sub-Agent. AHCP reserves the right to approve all commission percentage 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 received payment of its commission.

**4. 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 create 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 and interest. AHCP reserves the right to charge interest on all debit balances. Agent is financially responsible to AHCP and their assigns, for any and all debit balances due by Agent, any Sub-Agent, or any Sub-Agent from with Agent receives an override. Agent and Sub-Agents shall assume the full and complete advance balance and debit balance of any Sub-Agent. 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. Coincident with that transfer, all rights to any future earned commissions attributable to the account, and tax benefits, will also be transferred to Agent. Agent shall submit to financial audits and will confirm debit balances upon written request from AHCP. **Agent expressly agrees to be bound by all rules and conditions set forth in [Agent Guidelines](#).**

**5. 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 appointment by Carrier.

6. Termination. This Agreement may be terminated without cause by either party upon thirty (30) days written notice. AHCP may terminate immediately “for cause” (as defined in [Agent Guidelines](#)) with written notice to Agent. If this Agreement is terminated for cause, then all of Agent’s right to any compensation shall be immediately terminated. Upon termination of this Agreement, AHCP may reassign, solicit, appoint or otherwise work with the Sub-Agents of Agent.

7. Exclusivity. During the term of the Agreement, AHCP should be the primary supplier of all products to be promoted and sold by Agent and Sub-Agents. Agent may be licensed with other insurance companies to sell other product lines. However, Agent may not recruit AHCP Agents to sell product lines of other insurance companies.

8. Premiums. Agent shall immediately remit all premiums collected or received by Agent and its Sub-Agents in accordance with the guidelines of AHCP. Initial premium may be presented with the application to be accepted by AHCP or Carrier.

9. Rolling Business. AHCP acknowledges that Agent must act in the client’s best interest when recommending changes of carriers. However, Agents agrees that the moving of a block of business to another carrier, for the sole purpose of generating or increasing commissions, is not permitted by AHCP.

10. Records. Agent shall keep records and provide reports as set forth in [Agent Guidelines](#). AHCP or Carrier will furnish Agent with a monthly statement of Agent’s account and will pay any amounts due, subject to other provisions of the Agreement. Agent must report any discrepancies and return payment without 30 days or payment will be deemed accepted.

11. Printed Material. AHCP will furnish all printed matter necessary for doing business under the Agreement. Agent and Sub-Agents will not use any materials referring to AHCP or Carriers without first securing written approval. All printed materials furnished are property of AHCP and shall be promptly returned upon request or when Agreement terminates.

12. Refunds and Rejections. Subject to state law, Carrier reserves the right to reject any applications for insurance without specifying cause, and to cancel, refuse to renew, or modify and policy. In such cases, all premiums will be refunded.

13. Discontinuance of Policy Forms. Without incurring any liability, AHCP or Carrier may discontinue, replace, or withdraw any policy. AHCP or Carrier may also determine commissions and renewal commissions on any policy not scheduled herein.

14. Proprietary Information. Agent agrees to fully comply with all requirements set forth in [Agent Guidelines](#).

15. Indemnity. Agent agrees to indemnify AHCP, Carrier, 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 and Sub-Agents.

16. Assignment. AHCP may assign its rights to a third party. Agent may not, without the express prior written consent of AHCP, assign any of its rights, responsibilities or commissions. 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.

17. Security Interest. 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.


18. Applicable Law. The Agreement shall be governed by the laws of Texas with exclusive venue in Tarrant County, Texas.

19. 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.

20. Entire Agreement. This Agreement, including Addendum A in the [Agent Guidelines](#), constitutes the entire agreement and 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 the \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_\_.

By: \_\_\_\_\_  
Agent's Signature                      Print Name

By:   
Aaron Goddard, Vice President  
America's Health Care/RX Plan Agency, Inc.



ADDENDUM A  
ASSIGNMENT OF COMMISSIONS AGREEMENT

AHCP agrees to provide Agents with the following benefits and services:

- Lead Marketing Credits for each issued policy where applicable (varies by product)
- Incentive trip credits
- Free replicated Website
- Training program, web conference, and training materials
- Marketing Materials for proprietary products
- Advances funded by AHCP
- Toll free agent service line
- Weekly newsletter that includes all Carrier updates in one place in addition to important announcements and weekly agent rankings.

In exchange for access to AHCP programs and services, Agent agrees to the assignment to AHCP of all commissions earned, 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 commissions structure and advance commission agreement 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 to providing 10 days advance written notice to Agent.
4. 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 10 months, AHCP may, upon written notice to Agent, use Agent's commissions from any AHCP Carrier to reduce any debit balances.
5. AHCP may not assign commissions to any unaffiliated party without Agent's express written consent.
6. 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.
7. 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.
8. 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.

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

\_\_\_\_\_  
Date