



FlexMEDsm

Fully Insured Limited Benefit Health Insurance

INSTRUCTIONS TO BECOME LICENSED (APPOINTED) WITH COMPANION LIFE:

1. Complete, date and sign the **FlexMED Appointment Form**.
2. Complete, date and sign the **Companion Business Associate Agreement**.
3. Complete, date and sign the **Companion/FlexMED Agency Agreement**.
4. **Submit the Appointment Form, Business Associate and Agency Agreements to** David A. Crofts & Associates, Inc. along with:
 - o A copy of your **life & health insurance licenses** in all states where marketing will occur;
 - o A completed **W-9 Form**;
 - o A completed **Certificate of Completion** (FlexMED Training);
 - o A copy of the **declarations page from your E&O policy** (the covered individual should be listed on the declarations page OR provide a separate verification from the E&O carrier that the individual is covered);
5. **If Commissions are to be paid to the agency**, attach a photocopy of the Agency License.
6. All information must be completed before the appointment can be processed.

**Please submit all the documents with your first group.
Companion will pay your initial appointment fee(s).
You are responsible for all state renewal fees.**

IMPORTANT NOTICE:

Commissions will not be paid to any individual or agency that is not licensed in a state where marketing will or has occurred until the appropriate licensing and appointment requirements of such state have been completed.

Please note that most areas which require signatures are pointed out with markers such as these:



Return completed forms to:

David A. Crofts & Associates, Inc.
422 Montague Avenue, Suite #7
Greenwood, SC 29649
800-803-7873
864-223-8788
864-229-7392 (Fax)

FlexMEDsm

APPOINTMENT FORM

NAME _____ NICKNAME _____

(as it appears on your license)

BUSINESS NAME _____

(as it appears on your agency license)

BUSINESS ADDRESS _____

CITY, STATE & ZIP CODE _____

BUSINESS PHONE (____) _____ FAX NUMBER (____) _____ E-MAIL ADDRESS _____

HOME ADDRESS _____

CITY, STATE & ZIP CODE _____ COUNTY _____

SEND CORRESPONDENCE TO: (check one) BUSINESS HOME

HOME PHONE (____) _____ CELL PHONE (____) _____

SOCIAL SECURITY NUMBER _____ / _____ / _____ DATE OF BIRTH _____ / ____ / _____

IF COMMISSIONS ARE TO BE PAID TO YOUR AGENCY GIVE TAX ID _____

Yes No

- Have you ever been convicted of any felony involving dishonesty or breach of trust?
- Have you ever been convicted of a crime involving moral turpitude since becoming licensed?
- With the exception of credit life and disability insurance agents, are you employed by or associated with to any degree directly or indirectly, a financial institution as defined in section 626.988, F.S.?
- Have you ever been convicted of any crime under the Violent Crime Control and Law Enforcement Act of 1994 (18 United States Code, §§1033 and 1034)?
- Do you have an outstanding debt with any insurance company?
- Have you ever been bankrupt or insolvent, either personally or professionally?
- Has an insurance company ever canceled a contract with you?
- Have you ever had a complaint filed against you by a state or provincial insurance department?
- Have you ever had an insurance license denied or revoked by a state or province?
- Have you ever been refused a surety or fidelity bond?

If the answer to any of these questions is "yes", please provide details on a separate sheet of paper.

All appointed agents must comply with all insurance laws, regulations and insurance department bulletins in the jurisdictions in which he is appointed. The applicant may not use, distribute, or publish any advertisement (as defined by the laws of the jurisdiction for which the applicant is appointed), solicitation material, or proposal which has not been filed with and approved in writing by Companion Life Insurance Company. The applicant shall not use Companion, FlexMED or BasicPlus service or trade marks without prior written approval from Companion Life Insurance Company. The applicant agrees to assist and cooperate with Companion Life Insurance Company regarding any and all insurance department inquiries, complaints, or investigations.

I certify that all statements are true and correct to the best of my knowledge.

I understand that in compliance with Public law 91-508 (Fair Credit Reporting Act), an investigative consumer report may be prepared from information obtained from person with whom I am acquainted. Inquiry may include information as to my character, general reputation, personal characteristics and mode of living.

I understand that I have the right to make a written request, within a reasonable period of time, to receive information about the nature and scope of this investigation.

DATE

SIGNATURE



AGENCY AGREEMENT

This Agreement entered into this _____ day of _____, _____, is made between BasicPlus Insurance Services, LLC ("BP"), a Managing General Underwriter for Companion Life Insurance Company ("Company") and _____, ("Agent").

A. DESIGNATION, APPOINTMENT & TERRITORY

1. Designation

BP, named above is herein referred to as We, Our, or Us. Companion Life Insurance Company named above is herein referred to as Company or It. The Agent named above is herein referred to as Agent, You, Your or Yourself. Sub-agents are agents, brokers, writing agents, or soliciting brokers recommended by or under contract with You and approved by BP and Company and are herein referred to as Sub-agents. This Agency Agreement and all supplements, amendments, and schedules attached are referred to as the "Agreement" and is entered into between You and BP in consideration for the mutual agreement set forth herein.

2. Appointment

You are hereby appointed an Agent of the Company for the purpose of soliciting personally or when authorized through Sub-agents, applications for insurance. This Agreement does not grant exclusive rights in any territory or for any products.

3. Territory

The Agent shall have non-exclusive authority to market in the territory authorized by BP, subject to the applicable licensing authority of BP and the Company and approval of forms and rates.

Either party shall have the right to conduct business for its own account without regard to this Agreement. Either party shall have the right to conduct business for its own account with any insurance or reinsurance entity.

B. RESPONSIBILITIES & LIMITATIONS

1. General

During the continuation of this agreement You agree to:

- a. Be responsible for the prompt delivery of Certificates of Insurance sent to You or Your authorized Sub-agents in accordance with BP's and the Company's rules and instructions.
- b. Follow and cause Your authorized Sub-agents to follow all BP and Company rules and instructions.
- c. Solicit only in the state(s) in which You are licensed and appointed with the BP and the Company and where the Company is authorized to do business and only in the territory authorized by the BP.
- d. Comply with all State and Federal laws, orders, rules and regulations.
- e. Be responsible for obtaining and maintaining the necessary licenses and appointments to solicit BP's and the Company's products in the states in which You operate, whether resident or non-resident, including the payment of all fees or taxes required by any state or municipal laws and the renewal thereof, unless the Company agrees otherwise.

2. Relationship

Nothing contained herein is intended to create the relationship of employer and employee between You and BP or the Company, and You shall at all times be an Independent Contractor. You shall be free to exercise Your own judgement as to the time, place and means of performing all acts hereunder, but You shall conform to BP's and the Company's rules, regulations and instructions concerning the solicitation and delivery of insurance policies or certificates.

3. Monies Held in Trust – Bond

All monies You or Your authorized Sub-agents receive or collect for or on behalf of BP or the Company shall be held in a fiduciary capacity for Its benefit, and shall be immediately forwarded to BP on behalf of the Company. You are not authorized to endorse or cash checks, drafts or money orders payable to BP, its administrator or to the Company. BP reserves the right to require a surety bond and/or errors and omissions coverage of an amount satisfactory to BP.

4. Limits of Authority – Advertising

You are not authorized to waive, alter or change any provision or condition of BP's or the Company's insurance policies or certificates, Sub-agent's Agreements, literature or receipts; modify or extend the amount of time of any premium payment due to the Company; or receive any money due or to become due the Company except initial premiums and/or additional first year premium collected when a policy or certificate is delivered. You shall not enter into any contract, incur any expense or obligation of any character whatsoever, or cause or permit the insertion or distribution in any publication or otherwise, any advertising or publicity matter which in any way involves BP or the Company without the prior written authority of the BP on behalf of the Company. You are not to publish, or cause to be published or printed, anything concerning the BP's or the Company's business, nor advertise Its policies or certificates or services without BP's and/or the Company's prior written approval, this includes any materials that can be used to access BP's and the Company's products even if it does not mention BP or the Company name. All accounting records maintained by You relating to Our business are subject to inspection at any reasonable time by Our authorized representatives.

5. Applications & Policies

The Company may at Its discretion without liability to You reject applications or refund premiums for insurance submitted by You or Your Sub-agents without specifying the cause, and may withdraw, substitute, or change any insurance policy, certificate, or premium rate used by the Company. All certificates issued by the Company must be delivered by You to the certificate holder within (10) days of Your receipt and while the applicant is in good health and premiums have been paid in full.

6. Sub-agent's Contracts

When authorized and applicable, You shall use without alteration Our printed Agreements when contracting a Sub-agent. No such Sub-agent Agreement shall be in force until: (1.) the Agreement is properly executed by the Sub-agent, (2.) the Sub-agent is properly licensed to solicit for BP and the Company, and (3.) the Sub-agent is notified in writing that he/she is authorized to solicit for BP and the Company.

7. Indebtedness

You shall be responsible for the payment to the BP in behalf of Company of all monies which: (1.) You or Your authorized Sub-agents collect on BP or the Company's behalf; (2.) are due to BP or the Company because of compensation paid to You or Your authorized Sub-agents upon premiums which BP or the Company thereafter returned; (3.) are paid directly or on behalf of You or Your authorized Sub-agents which are not due You or Your authorized Sub-agents under this Agreement. Until the BP and Company receives all such monies from You, the same shall be a debt payable on demand and for which You or Your authorized Sub-agents are liable and at BP's and the Company's option, no commissions are payable to You until such indebtedness is satisfied.

8. Lien

As additional security for the payment of any indebtedness under this Agreement, BP and the Company shall have a first and prior lien against the compensation due You under this Agreement. BP's and the Company's lien are superior to all other liens under this Agreement. BP and the Company may, at any time, offset any such indebtedness against compensation due You under this Agreement. If BP and the Company

do elect to offset, the offset shall not constitute a waiver or an election by BP or the Company to forego any legal remedies to collect the indebtedness.

9. **Indemnification**

Each party hereto shall indemnify, defend, and hold harmless the other party against claims, actions or liabilities, including judgements, penalties, and fines, which either party may become, obligated to pay as a result of:

- (i) the failure of the other party to comply with any law, regulation or rule of any governmental jurisdiction;
- (ii) any grossly negligent or fraudulent act committed by the other party or its employees causing loss to the third party;

but only to the extent the party seeking indemnification has not by its own actions, independent of the directives of the other party, caused, contributed to, or compounded the loss, damage, or liability for which indemnification is sought.

10. **BP and Company Property**

Sales brochures, applications, rate cards and booklets, and any other supplies furnished by the BP or the Company, along with any copies thereof, will remain BP or Company property. They are to be accounted for and returned by You on demand or termination of this Agreement. You are to be responsible for any misuse or misrepresentation thereof.

C. **COMPENSATION ACCOUNTING**

1. **Compensation**

a. You shall be paid compensation according to the terms of this Agreement as set forth in the attached Exhibit A (herein referred to as Commission Schedule) which, is incorporated by reference into this Agreement. The Commission Schedule is subject to change by the BP upon notice in writing to You. All commissions paid to your Sub-agents will reduce the amount due you. All commissions or other remuneration earned by You and Your authorized Sub-agents will be paid directly by BP's Administrator. If a Sub-agent assigns their commissions to You, Agent agrees to hold BP its administrator and the Company harmless for all commissions that are earned by Your authorized Sub-agents and paid directly to You. Commissions shall be accrued and paid monthly to You as premiums are received and earned by the Company.

b. Commissions shall not be owed or paid:

- 1. On policies or certificate continued in force under any waiver of premium provision of any policy or certificate; or
- 2. On collected premiums that are subsequently refunded by the Company; or
- 3. On policies or certificates issued under a group policy conversion privilege; or
- 4. On policies or certificates that are subsequently transferred another agent at the direction of the employer (Group Policyholder) (agent of record letter), or if you are not actively servicing the Employer Group or reinstated after forty-five (45) days from their lapse date.
- 5. On unearned or unpaid premiums, or on premiums waived.
- 6. On policies or certificates if you do not hold a valid, appropriate and current State issued insurance license.
- 7. On administrative fees or on non-commissionable premiums as determined by the Company.

2. **Vested Commissions**

Subject to the provisions of the Agreement, all earned commissions are vested.

3. **Accounting**

BP's administrator shall mail to Your last known address as reflected on our records or deliver to You a monthly statement showing compensation and deductions made within the accounting period. Each statement is deemed to be correct and accurate unless You object in writing thereto within thirty (30) days after it has been mailed or delivered. If commissions due You total less than \$50.00 in a calendar month, then commissions payable will be deferred until accrued commissions exceed \$50.00. If the total amount of earned compensation payable to You during any six (6) consecutive months, in aggregate, is not at least \$200.00, no further compensation shall be payable to You under this Contract. Further, in the event You breach any provision of this Contract or You are Terminated For Cause under Paragraph D.2. of this Contract, no further compensation shall be payable to You under this Contract.

D. TERMINATION

1. Termination Without Cause

- a. At any time either You or BP may terminate this Agreement without Cause by giving sixty (60) days notice in writing sent to the last known address of the other. If You are an individual, this Agreement shall immediately terminate without cause upon Your death. If You are a partnership, the death of either partner shall not terminate this Agreement but it shall continue in force and effect in favor of the surviving partner. If You are a corporation, this Contract shall immediately terminate upon Your dissolution, sale, bankruptcy or insolvency.
- b. This Agreement shall terminate in the event of the notification to BP by the Company of the termination of the policy(s) on business covered by this Agreement. BP shall give You prompt notice of termination of the insurance policy(s), and shall attempt to give such notice at least 30 days prior to such termination.

2. Termination For Cause

Without notice, this Contract shall immediately terminate for cause and all commissions and claims whatsoever accruing hereunder shall be forfeited and void if You:

- a. Breach any provision of this Contract.
- b. Violate any law or regulation regarding the sale of insurance or fail to comply with any court order.
- c. Knowingly or intentionally induce or attempt to induce policyholders or certificate holders of the Company to reduce or discontinue any premium payment to it
- d. Withhold or convert BP or Company property.
- e. Commit any other willful or dishonest act with the intent to injure BP or the Company in its public relations.
- f. Fail to maintain the necessary licenses and appointments to solicit BP's and the Company's products in the states in which You operate, whether resident or non-resident.
- g. Have a loss ratio greater than the loss ratio established (or as may be adjusted) for the business written under this Agreement.
- h. Fail to achieve and maintain the minimum paid annualized premium agreed to, if any, within the agreed time period from the date of this Agreement.

3. Forfeiture

If this Agreement is terminated without cause but BP or the Company discovers that during Your association with BP and the Company or afterwards that You have committed any of the acts or any of the items are true described in Paragraph D.2., then You shall forfeit to BP all right, title and interest in any compensation under this Agreement. Forfeiture under this paragraph shall not constitute a waiver or an election by the Company to forego any claim it may have against You.

E. MISCELLANEOUS PROVISIONS

1. Assignment & Modification

No assignment of this Agreement or any compensation due hereunder shall be valid unless in writing and approved, in advance, by BP. No modification of this Agreement shall be binding on the BP unless in writing and signed and approved by the BP.

2. Bankruptcy

If You should take or be placed in bankruptcy to the extent of any amount due BP or the Company under this or any other Agreement with the Company, no compensation shall be payable under this Agreement and such compensation shall immediately become the Company's property.

3. Arbitration; Enforceability; Place of Payment

In consideration of the execution of this Agreement and other valuable considerations, You agree that any controversy or claim arising out of, or relating to, this Agreement, or its breach, shall be settled by arbitration, in accordance with the rules, then obtaining, of the American Arbitration Association, and judgement on the award rendered may be entered in any court having competent jurisdiction. In the event that this arbitration clause is deemed invalid, illegal, or unenforceable, You agree that any litigation resulting from the violation of the terms and conditions of this Agreement by You or BP shall be brought in Fulton County, Georgia. This Agreement is made subject to the laws of the State of Georgia.

5. Priority; No Waiver; Cumulative Remedies

This Agreement supersedes and replaces any contract or Agreement previously entered into between You, BP or the Company with respect to any future transactions for products sold through BP. However, any rights You and the Company have under any previous Agreement are otherwise unaffected except as expressly provided in this Agreement. Neither any failure nor any delay on the part of BP in exercising any right, power or privilege hereunder, nor any course of dealing between the Agent and Company, shall operate as a waiver thereof, nor shall a single or partial exercise of any right, power or privilege preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The remedies provided herein are cumulative and not exclusive of any remedies provided by law.

6. Severability

In case any one or more of the provisions contained in this Agreement should be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

7. Survival of Representations and Warranties

All covenants, representations and warranties made herein shall survive the execution and delivery hereof and shall continue in full force and effect during the term of this Agreement and after the termination thereof.

8. Entire Contract

This Agreement contains the entire agreement between You and BP. The Agreement shall become effective only when first executed by You and thereafter accepted by BP at Roswell, Georgia.

9. Effective Date

This Contract becomes effective on the date it is accepted by BP.

10. Honorable Undertaking

This Agreement is made in good faith and it is understood that all questions not specifically answered in the Agreement shall be settled in accordance with the custom and usage established by the industry.

11. Insurance/Errors & Omissions

Agent shall, at all times during this Agreement, maintain:

- a. An Errors and Omissions Policy covering all officers and employees, issued by an admitted insurer or by Lloyd's Underwriters, and subject to BP's approval, providing coverage of not less than One Million Dollars (\$1,000,000), with a per occurrence deductible not to exceed One Hundred Thousand Dollars (\$100,000).

- b. BP shall have the right to request a copy and inspect the above-mentioned policies and the Agent shall cause its insurers to provide BP with a certificate of insurance or other evidence of coverage which provides BP with thirty (30) days notice of cancellation.
- c. In the Event the Agent is unable, after using its best efforts, to obtain the above-mentioned coverages, it shall immediately notify BP. BP shall then have the opportunity to immediately terminate this Agreement or continue the Agreement upon the understanding that the Agent will continue to use its best efforts to obtain and thereafter immediately obtain any or all such coverages when and if they become available.
- d. Inadvertent delays, errors and/or omissions made in connection with this Agreement shall not relieve either party from any liability which would have attached had such delays, errors or omissions not occurred, provided that such delays, errors or omissions shall be rectified as soon as possible after discovery.

Agent: _____ 

Address: _____

Telephone: _____ **email:** _____

By: _____  **Date:** _____

Title: _____

David A. Crotts & Associates, Inc.
 422 Montague Avenue, Suite #7
 Greenwood, SC 29649
 800-803-7873
 864-223-8788
 864-229-7392 (Fax)

By: _____ **Date:** _____



**David A. Crotts
& Associates Inc.**



EXHIBIT A

Your Commission Percent is 10%

AGREEMENT WITH BUSINESS ASSOCIATE

This Agreement (“Agreement”) is effective upon execution, and is made by and between **the undersigned Agent/Agency** (“Business Associate”) and **Companion Life Insurance Company** (“Company”).

Company and Business Associate mutually agree to comply with the requirements of the Health Insurance Portability and Accountability Act of 1996 and its implementing regulations (45 C.F.R. Parts 160-64) and with the requirements of all insurance commissioner regulations implementing Title V of the Gramm-Leach-Bliley Act (15 U.S.C. § 6801 *et seq.*) that are applicable to Company’s relationship with Business Associate.

A. Privacy & Security of Protected Health Information, Electronic Protected Health Information and Nonpublic Personal Financial Information.

1. Permitted Uses and Disclosures. Business Associate is permitted or required to use or disclose Protected Health Information (“PHI”), electronic PHI and nonpublic Personal Financial Information (“NPMFI”) it creates or receives for or from Company or to request PHI, electronic PHI and NPMFI on Company’s behalf only as follows:

- a) **Functions and Activities on Company’s Behalf.** Business Associate is permitted to request the Minimum Necessary PHI, electronic PHI and NPMFI on Company’s behalf, and to use and to disclose the Minimum Necessary PHI or electronic PHI to perform functions, activities, or services for or on behalf of Company.
- b) **Business Associate’s Operations.** Business Associate may use the Minimum Necessary PHI, electronic PHI and NPMFI for Business Associate’s proper management and administration or to carry out Business Associate’s legal responsibilities. Business Associate may disclose the Minimum Necessary PHI and electronic PHI, but not such NPMFI, for Business Associate’s proper management and administration or to carry out Business Associate’s legal responsibilities only if:
 - (i) The disclosure is required by law; or
 - (ii) Business Associate obtains reasonable assurance, evidenced by written contract, from any person or organization to which Business Associate will disclose PHI or electronic PHI that the person or organization will:
 - a. Hold such PHI, electronic PHI in confidence and use or further disclose it only for the purpose for which Business Associate disclosed it to the person or organization or as required by law; and
 - b. Promptly notify Business Associate (who will in turn promptly notify Company) of any instance of which the person or organization becomes aware in which the confidentiality of such PHI or electronic PHI was breached.

2. Prohibition on Unauthorized Use or Disclosure. Business Associate will neither use nor disclose PHI, electronic PHI and NPMFI except as permitted or required by this Agreement, as otherwise permitted in writing by Company, or as required by law. This Agreement does not authorize Business Associate to use or disclose PHI, electronic PHI or NPMFI in a manner that would violate the requirements of the Health Insurance Portability and Accountability Act of 1996 and its implementing regulations (45 C.F.R. Parts 160-64) if done by Company, except as set forth in Section A(1)(b).

3. Information Safeguards. Business Associate will develop, document, implement, maintain, and use appropriate administrative, technical, and physical safeguards, in compliance with Social Security Act § 1173(d) (42 U.S.C. § 1320d-2(d)), 45 C.F.R. Part 164, Subparts C & E, and any other implementing regulations issued by the U.S. Department of Health and Human Services, and any other applicable laws. The safeguards will be designed to preserve the integrity, availability and confidentiality of electronic PHI, and to prevent intentional or unintentional non-permitted or violating use or disclosure

of, PHI or NPFI. Business Associate will document and keep these safeguards current. Business Associate agrees to mitigate any harmful effect that is known to the Business Associate resulting from a use or disclosure of PHI, electronic PHI or NPFI by the Business Associate or its subcontractors in violation of the requirements of this Agreement.

4. Subcontractors and Agents. Business Associate will require any of its subcontractors and agents, to which Business Associate is permitted by this Agreement or in writing by Company to disclose PHI, electronic PHI and NPFI, to provide reasonable assurance, evidenced by written contract, that such subcontractor or agent will comply with the same privacy and security obligations as Business Associate with respect to such PHI, electronic PHI and NPFI.

B. Compliance with Standard Transactions. If Business Associate conducts, in whole or part, Standard Transactions for or on behalf of Company, Business Associate will comply, and will require any subcontractor or agent involved with the conduct of such Standard Transactions to comply, with each applicable requirement of 45 C.F.R. Part 162. Business Associate will not enter into, or permit its subcontractors or agents to enter into, any trading partner agreement in connection with the conduct of Standard Transactions for or on behalf of Company that:

1. Changes the definition, data condition, or use of a data element or segment in a Standard Transaction;
2. Adds any data element or segment to the maximum defined data set;
3. Uses any code or data element that is marked “not used” in the Standard Transaction’s implementation specification or is not in the Standard Transaction’s implementation specification; or
4. Changes the meaning or intent of the Standard Transaction’s implementation specification.

C. Individual Rights.

1. **Access.** Business Associate will, within five (5) business days after Company’s request, make available to Company or, at Company’s direction, to the individual (or the individual’s personal representative) for inspection and obtaining copies any PHI, electronic PHI and NPFI about the individual that is in Business Associate’s custody or control, so that Company may meet its access obligations under 45 C.F.R. § 164.524.

2. **Amendment.** Business Associate will, upon receipt of notice from Company, promptly amend or permit Company access to amend any portion of the PHI, electronic PHI and NPFI, so that Company may meet its amendment obligations under 45 C.F.R. § 164.526.

3. **Disclosure Accounting.** So that Company may meet its disclosure accounting obligations under 45 C.F.R. § 164.528:

- a) **Disclosure Tracking.** Starting April 14, 2003, Business Associate will record information concerning each disclosure of PHI or electronic PHI, not excepted from disclosure tracking under Agreement Section C.3(b) below, that Business Associate makes to Company or a third party. The information Business Associate will record includes: (i) the disclosure date; (ii) the name and (if known) address of the person or entity to whom Business Associate made the disclosure; (iii) a brief description of the PHI or electronic PHI disclosed; and (iv) a brief statement of the purpose of the disclosure (items i-iv, collectively, the “disclosure information”). For repetitive disclosures Business Associate makes to the same person or entity for a single purpose, Business Associate may provide (x) the disclosure information for the first of these repetitive disclosures; (y) the frequency, periodicity or number of these repetitive disclosures; and (z) the date of the last of these repetitive disclosures. Business Associate will make this disclosure information available to Company within ten (10) business days after Company’s request.
- b) **Exceptions from Disclosure Tracking.** Business Associate need not record disclosure information or otherwise account for disclosures of PHI or electronic PHI that this Agreement or Company in writing permits or requires (i) for purposes of treating the individual who is the subject of the PHI or electronic PHI disclosed, payment for that treatment, or for the health care operations of Business Associate; (ii) to the individual who is the subject of the PHI or electronic PHI disclosed or to that individual’s personal representative; (iii) pursuant to a valid authorization by the person who is the subject of the PHI or electronic PHI disclosed; (iv) to persons involved in that individual’s health care or payment related to

that individual's health care; (v) for notification for disaster relief purposes; (vi) for national security or intelligence purposes; (vii) as part of a limited data set; or (viii) to law enforcement officials or correctional institutions regarding inmates or other persons in lawful custody.

- c) Disclosure Tracking Time Periods. Business Associate must have available for Company the disclosure information required by Agreement Section C.3(a) for the six (6) years preceding Company's request for the disclosure information (except Business Associate need have no disclosure information for disclosures occurring before April 14, 2003).
4. **Restriction Requests; Confidential Communications.** Business Associate will comply with any requests for restriction requests and confidential communications of which it is aware and to which Company agrees pursuant to 45 C.F.R. § 164.522 (a) and (b).
5. **Inspection of Books and Records.** Business Associate will make its internal practices, books, and records, relating to its use and disclosure of PHI or electronic PHI, available to Company and to the U.S. Department of Health and Human Services to determine compliance with 45 C.F.R. Parts 160-64 or this Agreement.

D. Breach of Privacy & Security Obligations.

1. **Reporting.** Business Associate will report to Company any use or disclosure of PHI, electronic PHI and NPHI not permitted by this Agreement or by Company in writing. Business Associate will make the report to Company's Privacy Officer within three (3) business days after Business Associate learns of such non-permitted use or disclosure. Business Associate's report will, at a minimum:
 - a) Identify the nature of the non-permitted use or disclosure;
 - b) Identify the PHI, electronic PHI and NPHI used or disclosed;
 - c) Identify who made the non-permitted or violating use or disclosure and who received the non-permitted disclosure;
 - d) Identify what corrective action Business Associate took or will take to prevent further non-permitted uses or disclosures;
 - e) Identify what Business Associate did or will do to mitigate any deleterious effect of the non-permitted use or disclosure; and
 - f) Provide such other information, including a written report, as Company may reasonably request.
2. **Security Incident.** If Business Associate becomes aware of any Security Incident, Business Associate shall report the same in writing to Company as provided below. Business Associate agrees to mitigate, to the extent practicable, any harmful effect resulting from such Security Incident. Notwithstanding anything to the contrary in this Agreement, this Section D.2 shall be effective as of April 20, 2005.
 - a) In determining how and how often Business Associate shall report to Company in writing the Security Incidents required above, both Company and Business Associate agree that unsuccessful attempts at unauthorized access or system interference occur frequently and that there is no significant benefit for data security from requiring the documentation and reporting of such unsuccessful intrusion attempts. In addition, both parties agree that the cost of documenting and reporting such unsuccessful attempts as they occur would swamp any potential benefit gained from reporting them. Consequently, both Company and Business Associate agree that this Agreement shall constitute the documentation, notice and written report of such unsuccessful attempts at unauthorized access or system interference as required above and by 45 C.F.R. Part 164, Subpart C and that no further notice or report of such attempts will be required. By way of example (and not limitation in any way), the Parties consider the following to be illustrative (but not exhaustive) of Unsuccessful Security Incidents when they do not result in unauthorized access, use, disclosure, modification, or

destruction of electronic PHI or interference with an information system:

- (i) Pings on a Party's firewall,
 - (ii) Port scans,

 - (iii) Attempts to log on to a system or enter a database with an invalid password or username, and
 - (iv) Denial-of-service attacks that do not result in a server being taken off-line.
 - (v) Malware (e.g., worms, viruses)
- b) Otherwise, Business Associate will document as required by 45 C.F.R. Part 164, Subpart C and report to Company (a) any successful unauthorized access, use, disclosure, modification, or destruction of Company's electronic PHI of which Business Associate becomes aware, or (b) any successful unauthorized interference with system operations in Business Associate's Information System containing Company's electronic PHI of which Business Associate becomes aware. Such reports will be provided within five (5) business days of when Business Associate becomes aware of the incident.

3. **Termination of Agreement.**

- a) **Right to Terminate for Breach.** Company may terminate Agreement if it determines, in its sole discretion, that Business Associate has breached any provision of this Agreement. Company may exercise this right to terminate Agreement by providing Business Associate written notice of termination, stating the breach of the Agreement that provides the basis for the termination. Any such termination will be effective immediately or at such other date specified in Company's notice of termination.
- b) **Obligations upon Termination.**
- (i) **Return or Destruction.** Upon termination, cancellation, expiration or other conclusion of Agreement, Business Associate will, if feasible, return to Company or destroy all PHI, electronic PHI and NPFI in whatever form or medium (including any electronic medium) and all copies of any data or compilations derived from and allowing identification of any individual who is a subject of PHI, electronic PHI and NPFI. Company will determine, in its sole discretion, whether Business Associate will destroy or return such PHI, electronic PHI and NPFI. Business Associate will complete such return or destruction as promptly as possible, but not later than ten (10) business days after the effective date of the termination, cancellation, expiration or other conclusion of Agreement. All costs related to the Business Associate's return or destruction of PHI, electronic PHI and NPFI will be paid by the Business Associate. Business Associate will identify any PHI, electronic PHI and NPFI that cannot feasibly be returned to Company or destroyed. Business Associate will limit its further use or disclosure of that PHI, electronic PHI and NPFI to those purposes that make return or destruction of that PHI, electronic PHI and NPFI infeasible. Within ten (10) business days after the effective date of the termination, cancellation, expiration or other conclusion of Agreement, Business Associate will (a) certify on oath in writing to Company that such return or destruction has been completed, (b) deliver to Company the identification of any PHI, electronic PHI and NPFI for which return or destruction is infeasible, and (c) certify that it will only use or disclose such PHI, electronic PHI and NPFI for those purposes that make return or destruction infeasible.
 - (ii) **Continuing Privacy Obligation.** Business Associate's obligation to protect the privacy of the PHI, electronic PHI and NPFI it created or received for or from Company will be continuous and survive termination, cancellation, expiration or other conclusion of Agreement.
 - (iii) **Other Obligations and Rights.** Business Associate's other obligations and rights and Company's obligations and rights upon termination, cancellation, expiration or other conclusion of Agreement will be those set out in the Agreement.

4. **Indemnity.** Business Associate will indemnify and hold harmless Company and any Company affiliate, officer, director, employee or agent from and against any claim, cause of action, liability, damage, cost or expense, including attorneys' fees and court or proceeding costs, arising out of or in connection with any non-permitted or violating use or disclosure of PHI, electronic PHI and NPI or other breach of this Agreement by Business Associate or any subcontractor, agent, person or entity under Business Associate's control.
 - a) **Right to Tender or Undertake Defense.** If Company is named a party in any judicial, administrative or other proceeding arising out of or in connection with any non-permitted or violating use or disclosure of PHI, electronic PHI and NPI or other breach of this Agreement by Business Associate or any subcontractor, agent, person or entity under Business Associate's control, Company will have the option at any time to either: (i) tender its defense to Business Associate, in which case Business Associate will provide qualified attorneys, consultants, and other appropriate professionals to represent Company's interests at Business Associate's expense, or (ii) undertake its own defense, choosing the attorneys, consultants, and other appropriate professionals to represent its interests, in which case Business Associate will be responsible for and pay the reasonable fees and expenses of such attorneys, consultants, and other professionals.
 - b) **Right to Control Resolution.** Company will have the sole right and discretion to settle, compromise or otherwise resolve any and all claims, causes of actions, liabilities or damages against it, notwithstanding that Company may have tendered its defense to Business Associate. Any such resolution will not relieve Business Associate of its obligation to indemnify Company under this Agreement Section D.3.

E. General Provisions.


1. **Definitions.** The capitalized term "Protected Health Information" and "PHI" shall have the same meaning as the term "protected health information" in 45 C.F.R. § 164.501, limited to the information created or received by Business Associate from or on behalf of Company or another business associate of Company. The capitalized term "Electronic Protected Health Information:" and "electronic PHI" shall have the same meaning as the term "electronic protected health information" in 45 C.F.R. § 164.103. The capitalized term "Security Incident" shall have the same meaning as the term "security incident" in 45 C.F.R. § 164.304. The capitalized term "Standard Transactions" shall have the meaning set out in 45 C.F.R. § 162.103. The term "Minimum Necessary" shall have the meaning set out in 45 C.F.R. § 164.502. The capitalized terms "Nonpublic Personal Information," "Nonpublic Personal Financial Information," and "NPI" have the meanings set out in the insurance commissioner regulations implementing of Gramm-Leach-Bliley Act Title V that are applicable to Company's relationship with Business Associate.
2. **Owner of Protected Health Information.** Company is the exclusive owner of PHI, electronic PHI and NPI generated or used under the terms of the Agreement or this Agreement.
3. **Amendment to Agreement.** Upon the effective date of any final regulation or amendment to final regulations promulgated by the U.S. Department of Health and Human Services with respect to PHI, electronic PHI or Standard Transactions or by an insurance commissioner with jurisdiction over Company that implements Gramm-Leach-Bliley Act Title V, this Agreement will automatically amend such that the obligations they impose on Business Associate remain in compliance with these regulations.
4. **Disclosure of De-identified Data.** The process of converting PHI or electronic PHI to De-identified Data ("DID") is set forth in 45 C.F.R. § 164.514. In the event that Company provides Business Associate with DID, Business Associate shall not be given access to, nor shall Business Associate attempt to develop on its own, any keys or codes that can be used to re-identify data.
5. **Creation of De-identified Data.** In the event Business Associate wishes to convert PHI or electronic PHI and NPI to DID, it must first subject its proposed plan for accomplishing the conversion to


Company for Company's approval, which shall not be unreasonably withheld.

6. **Intent.** The parties agree that there are no intended third party beneficiaries under this Agreement.

IN WITNESS WHEREOF, Company and Business Associate execute to be effective on the last date written below.

Agency/Agent Name _____  **Companion Life Insurance Company**

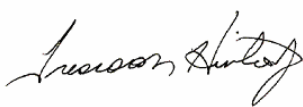
By: _____ 

Printed Name: _____ 

SSN: _____

Title: _____

Date: _____

By:  _____

Printed Name: Trescott N. Hinton

Title: President

Date: _____



**David A. Crotts
& Associates Inc.**

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	
	Business name, if different from above	
	Check appropriate box: <input type="checkbox"/> Individual/ Sole proprietor <input type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Other ▶ <input type="checkbox"/> Exempt from backup withholding	
	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. 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 2.** 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 2.

Social security number								
or								
Employer identification number								

Note: If the account is in more than one name, see the chart on page 2 for guidelines on whose number to enter.

Part II Certification

Under penalties of perjury, I certify that:

- 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**
- 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**
- I am a U.S. person (including a U.S. resident alien).

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 2.)

Sign Here	Signature of U.S. person ▶		Date ▶
-----------	----------------------------	---	--------

Purpose of Form

A person who is required to file an information return with the IRS must get 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 give your correct TIN to the person requesting it (the requester) and, when applicable, to:

- Certify the TIN you are giving is correct (or you are waiting for a number to be issued),
- Certify you are not subject to backup withholding, or
- Claim exemption from backup withholding if you are a U.S. exempt payee.

If you are a foreign person, use the appropriate Form W-8. See **Pub. 515, Withholding of Tax on Nonresident Aliens and Foreign Entities.**

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.

What is backup withholding? Persons making certain payments to you must under certain conditions withhold and pay to the IRS 30% of such payments **after** December 31, 2001 (29% **after** December 31, 2003). This is called "backup withholding." Payments that may be subject to backup withholding include interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will **not** be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

Payments you receive will be subject to backup withholding if:

- You do not furnish your TIN to the requester, or
- You do not certify your TIN when required (see the Part II instructions on page 2 for details), or
- The IRS tells the requester that you furnished an incorrect TIN, or
- The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or

5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See the instructions on page 2 and the separate **Instructions for the Requester of Form W-9.**

Penalties

Failure to furnish TIN. If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil penalty for false information with respect to withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

Criminal penalty for falsifying information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If the requester discloses or uses TINs in violation of Federal law, the requester may be subject to civil and criminal penalties.

Specific Instructions

Name. If you are an individual, you must generally enter the name shown on your social security card. However, if you have changed your last name, for instance, due to marriage without informing the Social Security Administration of the name change, enter your first name, the last name shown on your social security card, and your new last name.

If the account is in joint names, list first and then circle the name of the person or entity whose number you enter in Part I of the form.

Sole proprietor. Enter your individual name as shown on your social security card on the "Name" line. You may enter your business, trade, or "doing business as (DBA)" name on the "Business name" line.

Limited liability company (LLC). If you are a single-member LLC (including a foreign LLC with a domestic owner) that is disregarded as an entity separate from its owner under Treasury regulations section 301.7701-3, enter the owner's name on the "Name" line. Enter the LLC's name on the "Business name" line.

Other entities. Enter your business name as shown on required Federal tax documents on the "Name" line. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on the "Business name" line.

Exempt from backup withholding. If you are exempt, enter your name as described above, then check the "Exempt from backup withholding" box in the line following the business name, sign and date the form.

Individuals (including sole proprietors) are not exempt from backup withholding. Corporations are exempt from backup withholding for certain payments, such as interest and dividends. For more information on exempt payees, see the Instructions for the Requester of Form W-9.

If you are a nonresident alien or a foreign entity not subject to backup withholding, give the requester the appropriate completed Form W-8.

Note: If you are exempt from backup withholding, you should still complete this form to avoid possible erroneous backup withholding.

Part I- Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box.

If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see How to get a TIN below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN. However, the IRS prefers that you use your SSN.

If you are an LLC that is disregarded as an entity separate from its owner (see **Limited liability company (LLC)** above), and are owned by an individual, enter your SSN (or "pre-LLC" EIN, if desired). If the owner of a disregarded LLC is a corporation, partnership, etc., enter the owner's EIN.

Note: See the chart on this page for further clarification of name and TIN combinations.

How to get a TIN. If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local Social Security Administration office. Get Form W-7,

Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can get Forms W-7 and SS-4 from the IRS by calling 1-800-TAX-FORM (1-800-829-3676) or from the IRS Web Site at www.irs.gov.

If you are asked to complete Form W-9 but do not have a TIN, write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

Note: Writing "Applied For" means that you have already applied for a TIN *or* that you intend to apply for one soon.

Caution: A disregarded domestic entity that has a foreign owner must use the appropriate Form W-8.

Part II- Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if items 1, 3, and 5 below indicate otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). Exempt recipients, see **Exempt from backup withholding** above.

Signature requirements. Complete the certification as indicated in 1 through 5 below.

1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983. You must give your correct TIN, but you do not have to sign the certification.

2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983. You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

3. Real estate transactions. You must sign the certification. You may cross out item 2 of the certification.

4. Other payments. You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), IRA or Archer MSA contributions or distributions, and pension distributions. You must give your correct TIN, but you do not have to sign the certification.

Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to give your correct TIN to persons who must file information returns with the IRS to report interest, dividends, and certain other income paid to you, mortgage interest you paid, the acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA or Archer MSA. The IRS uses the numbers for identification purposes and to help verify the accuracy of your tax return. The IRS may also provide this information to the Department of Justice for civil and criminal litigation, and to cities, states, and the District of Columbia to carry out their tax laws.

You must provide your TIN whether or not you are required to file a tax return. Payers must generally withhold 30% of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to a payer. Certain penalties may also apply.

What Name and Number To Give the Requester

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account ¹
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor ²
4. a. The usual revocable savings trust (grantor is also trustee)	The grantor-trustee ¹
b. So-called trust account that is not a legal or valid trust under state law	The actual owner ¹
5. Sole proprietorship	The owner ³
For this type of account:	Give name and EIN of:
6. Sole proprietorship	The owner ³
7. A valid trust, estate, or pension trust	Legal entity ⁴
8. Corporate	The corporation
9. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
10. Partnership	The partnership
11. A broker or registered nominee	The broker or nominee
12. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity

¹ List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

² Circle the minor's name and furnish the minor's SSN.

³ You must show your individual name, but you may also enter your business or "DBA" name. You may use either your SSN or EIN (if you have one).

⁴ List first and circle the name of the legal trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.)

Note: If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

