



# David A. Crofts & Associates Inc.

LIFE • HEALTH • GROUP • INVESTMENTS

AUTO • HOME • BUSINESS

422 Montague Ave. Suite 7 • Greenwood, SC 29649-1961

**Please return, by FAX or mail to:**

**David A. Crofts & Associates, Inc.**

**422 Montague Avenue, Suite #7**

**Greenwood, SC 29649**

**800-803-7873 -or- 864-223-8788**

**Fax: 864-229-7392**

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





An Excellus Company

MedAmerica Insurance Company  
Home Office: Pittsburgh, PA

MedAmerica Insurance Company of New York  
Home Office: Rochester, NY

MedAmerica Insurance Company of Florida  
Home Office: Winter Park, FL

## Producer Profile

### **Section 1 - Personal Information (REQUIRED):**

Name: \_\_\_\_\_  
First Middle Last

Date of Birth: \_\_\_\_/\_\_\_\_/\_\_\_\_ Social Security Number: \_\_\_\_\_  
MM DD YYYY

Home Address: \_\_\_\_\_  
Physical Street Address Required, PO Box Unacceptable) City State Zip Code County

Mailing Address (if different from above): \_\_\_\_\_  
Street Address City State Zip Code County

Business Phone: \_\_\_\_\_ Business Fax: \_\_\_\_\_

Email Address (Optional): \_\_\_\_\_

### **Section 2 – Agency Information – If you are the principal officer of a corporation and commissions are being assigned to the agency, please complete the following:**

Agency Name: \_\_\_\_\_

Agency FEIN: \_\_\_\_\_

### **Section 3 – Errors & Omissions Information (REQUIRED):**

Carrier Name: \_\_\_\_\_

Policy Number: \_\_\_\_\_ Expiration Date: \_\_\_\_\_

### **Section 4 – Agent’s Statements (REQUIRED):**

If your answer is “YES” to any of the following, please provide details on a separate sheet of paper and attach

- Have you ever been convicted or pled nolo contendere for any offense other than minor traffic violations? \_\_\_\_\_
- Have you ever filed for bankruptcy, been a party in an insolvency proceeding or been a party to a tax lien? \_\_\_\_\_
- Has your insurance license ever been fined, suspended, placed on probation, or is currently under investigation? \_\_\_\_\_
- Are you now, or have you ever been, in debt to any insurance carrier? \_\_\_\_\_

### **Section 5 – Fair Credit Reporting Act Notice:**

You are hereby notified that a background investigation and license verification will be completed on You prior to Your appointment with Us. You authorize a release of written and verbal information about Yourself that may contain facts about Your background, general reputation and license to solicit insurance. You have the right to make a written request for information on the Reporting Agency as well as the nature and scope of the investigation. Furthermore, You have the right to (a) be told if the information in the investigative report negatively impacts Your application; (b) contact the Reporting Agency for full disclosure of the information contained in the investigative report; (c) dispute inaccurate information with the Reporting Agency. You can request a copy of the FCRA by contacting the Federal Trade Commission, Bureau of Consumer Protection - FCRA, Washington, DC 20580

### **Section 6 – Agent’s Certification (REQUIRED):**

I certify that all of the information provided above is true and accurate.

Signature: \_\_\_\_\_  Date: \_\_\_\_\_

### **Section 7 – Sponsoring General Agent’s Information (REQUIRED):**

Signature: \_\_\_\_\_ *David A. Crotts* Date: \_\_\_\_\_

Name: \_\_\_\_\_ David A. Crotts

Agency Name (if applicable): \_\_\_\_\_ David A. Crotts & Associates, Inc.

**Continue to Page 2: Both pages must be completed and returned for appointment**

**Section 8 - Documentation Checklist/Worksheet - Attach and return with application:**

Resident Appointment Requested In: \_\_\_\_\_

- Attach copies of your individual and/or agency resident licenses
- LTC Certification, if required by state regulation
- Partnership Certification, if required by state regulation
- Acknowledgment of Training signed & attached for appointment in MA.

Nonresident Appointment Requested In: \_\_\_\_\_

- Check made payable to "MedAmerica Insurance Company" for applicable nonresident appointment fees. Please contact your Sponsoring General Agent for a current fee listing.
- LTC Certification, if required by state regulation
- Partnership Certification, if required by state regulation
- Acknowledgment of Training signed & attached for appointment in MA.

**Section 9 – New Business:**

Have you solicited an application on MedAmerica's behalf?

- No
- Yes – Please provide application signature date: \_\_\_\_\_

**Section 10 - Code of Conduct (REQUIRED):**

You agree to:

1. Possess a thorough understanding of the benefits and limitations of each long-term care insurance policy presented.
2. Maintain an effective working knowledge of applicable governmental programs (e.g. Medicare and Medicaid) as each relates to long-term care insurance and the consumer's needs.
3. Ensure that all medical questions on long-term care applications are answered thoroughly and truthfully for accurate underwriting.
4. Clearly identify yourself as an independent representative of MedAmerica Insurance Company or MedAmerica Insurance Company of New York.
5. Obey all laws governing business and professional activities and honestly represent product(s) in an accurate and ethical manner without fraud, misrepresentation, exaggeration, coercion, scare tactics or concealment of pertinent facts (e.g. products are long term care insurance, not disability income insurance or any other type of insurance; and any possible tax advantages are subject to change and should be discussed with a consumer's accountant or tax advisor); and without taking advantage of the customer or potential customer that could lead to the customer's detriment in insurance choices based on need and financial capability.
6. Replace or add to a customer's current long-term care insurance coverage only when it is clearly in the policyholder's best interest. (Consider appropriateness of benefits, Company policy(ies), pricing due to new age, pre-existing condition limitations, penalties, and changes in medical history .) In the case of replacement, make sure new coverage is in effect before canceling old policy(ies).
7. Use only Company authorized promotional and marketing materials in the selling process. Fairly focus presentations on positive benefit comparisons rather than disparaging remarks about competition.
8. Treat a customer or potential customer with due courtesy, respect and priority in accordance with thoughtful, ethical and legal business practices.

Signature: \_\_\_\_\_  Date: \_\_\_\_\_

**You may not solicit applications on Our behalf until your appointment has been processed according to state insurance department regulations. Applications dated prior to this agreement and/or appointment effective date will be returned.**



An Excellus Company

**MedAmerica Insurance Company**  
Home Office: Pittsburgh, PA

**MedAmerica Insurance Company of New York**  
Home Office: Rochester, NY

**MedAmerica Insurance Company of Florida**  
Home Office: Winter Park, FL

## ***Licensed Only Producer Agreement***

This Licensed Only Producer Agreement is between MedAmerica Insurance Company, MedAmerica Insurance Company of New York, and MedAmerica Insurance Company of Florida (hereinafter referred to as "Company") and:

\_\_\_\_\_  
*Name (First, MI, Last)*

(Hereinafter referred to as "Producer"). All provisions of this Agreement shall be in effect when (a) signed by the Producer; and (b) signed and accepted by the Company. This Agreement will remain in effect until terminated.

### **I) RELATIONSHIPS & AUTHORITY:**

- A) **RELATIONSHIP:** The Producer is an independent contractor with respect to the Company. The relationship between the Company and the Producer is not employer/employee, partners or joint ventures. The Company may from time to time prescribe such rules and regulations with respect to the conduct of the business covered by this Agreement as do not interfere with the Producer's freedom of judgment and action hereunder. The Producer will observe such rules and regulations and any manuals, published guidelines and/or specific instructions from the Company. The Producer will not violate any laws, rules or regulations of any federal, state or local government, department or bureau having jurisdiction, nor induce or try to induce any other Producer to violate such laws, rules or regulations. The Producer agrees to comply with the Company's requests for information on investigations for issuance of policies, resolutions of complaints and adjudication of claims; this obligation shall survive the termination of this Agreement.
- B) **SOLICITATION & APPOINTMENT:** The Company authorizes the Producer to solicit the Company's Products in those states where: (i) The Company has approved Products; (ii) The Producer is in compliance with any and all regulatory licensing requirements at the time of solicitation, if any, and; (iii) The Producer has been appointed by the Company, if required, in accordance with all applicable laws. Applications submitted by a Producer to the Company that are dated prior to the Producer's appointment date will be returned.
- C) **HIERARCHY:** The Producer acknowledges and accepts their place in the hierarchy of the Sponsoring General Agent (as identified in Section II below) named in the Producer Profile and agrees to accept the guidance, supervision and management of said Sponsoring General Agent. Producers requesting transfer from their current Sponsoring Agent (SGA) to another SGA may request transfer by submitting a new contract from the new SGA to Company. Company will forward such request to the Producer's current SGA. If written notice canceling the request to transfer is not received by Company from the Producer within two weeks, the Producer's request will be completed and the Producer will be transferred to the new SGA.
- D) **LIMITATIONS:** The Producer shall not have the authority to: (i) Adjust, compromise, settle or pay any claim made on Policies; (ii) Bind coverage under, or alter or discharge any policy; (iii) Make representations not strictly in accordance with the provisions of the policies; (iv) Extend the time of payment of premium; (v) Waive or extend any policy obligation or condition; (vi) Make any settlement or agreement regarding the settlement of any claim that may be made against the Company; (vii) Receive any premium except the initial premium due on any policy issued under this Agreement; or accept any initial premium other than by check or money order payable to the Company. The Producer shall hold all initial premium payments and all other funds belonging to the Company in trust on behalf of the Company, and remit the premium to the Company within fourteen (14) business days after receipt thereof; (viii) Endorse checks payable to the Company or incur any expense or obligation in the name of or on behalf of the Company; (ix) Solicit if the Producer's license(s) or appointment(s) expires or terminates for any reason; and (x) Directly or indirectly, induce or try to induce any policyholder of the Company's to discontinue the payment of any premium or lapse or surrender any policies of the Company, except in cases of policy increases.

**II) ASSIGNMENT OF COMPENSATION:**

The Producer agrees that by signing this agreement, I agree that delivery of commissions earned to the below named Sponsoring General Agent shall satisfy any obligations of MedAmerica's to pay such commissions to the Sponsoring General Agent, and that I will not look to MedAmerica for such commissions.

Sponsoring General Agent's Name: \_\_\_\_\_

Agency Name (if applicable): \_\_\_\_\_

Street Address: \_\_\_\_\_

City, State, Zip Code: \_\_\_\_\_

**III) INDEMNITY:**

The Producer shall indemnify, defend and hold the Company harmless from all claims, suits, hearings, actions, damages of any kind, liability, fines, penalties, losses, costs or expenses (including court costs and attorneys fees), caused by or resulting from any allegation of or misconduct, error, omission or other unauthorized act by the Producer; and for the Company's efforts to enforce this indemnification obligation. The Producer has no authority to institute legal proceedings on the Company's behalf of or in connection with any business of the Company. The Producer will send to the Company by certified mail (return receipt requested), within twenty-four (24) hours of receipt, any legal documents served upon the Producer that concern the Company, its Product(s), business or consumers. The Producer shall pay all costs and expenses (including amounts paid in settlement and attorney's fees and disbursements) related to the defenses of any legal action arising from any acts or omissions of the Producer. At the Company's option, the Company may control the defense of any such legal action.

**IV) INSURANCE:**

The Producer agrees at their cost to be covered by an errors and omissions policy with a minimum coverage of five hundred thousand dollars (\$500,000) per occurrence. The Producer further agrees to provide evidence of such coverage.

**V) COMPLIANCE:**

- A) The Producer shall not make, publish, issue or insert or cause to have published, issued or inserted any advertisement, letter, circular, pamphlet or other publication or statement, written or through the electronic media describing the Company, its Product(s) or mentioning the Company's name without the express prior written consent by the Company and the State Regulators (where required).
- B) In addition to the Indemnity of Section IV, in the event that the Company shall be subject to liability loss, expense, fine or penalty arising out of any unauthorized advertisement, the Producer shall be liable to the Company for all direct, consequential, or other damages of any kind and costs and expenses incurred by or awarded against the Company or for other payments, required to made by the Company as a result of settlement or otherwise.
- C) Any and all authorized advertisements, circulars and other printed materials and media are the Company's property and shall be returned to the Company promptly upon termination of this Agreement.

**VI) TERM & TERMINATION:**

This Agreement will remain in effect until terminated. Termination of this Agreement by any party with or without cause shall cause the Producer to cease representing the Company.

- A) **TERMINATION WITHOUT CAUSE:** This Agreement may be terminated without cause by either party with thirty (30) days written notice by registered or certified mail. Such termination shall be effective thirty (days) from the date of mailing.
- B) **TERMINATION WITH CAUSE:** This Agreement will automatically terminate for cause for reasons including, but not limited to: (i) expiration, suspension or revocation of any of the Producer's required licenses; (ii) conduct by the Producer that exposes the Company to legal claims of any kind or results in fines or penalties to the Company; (iii)

withholding of funds due to the Company; (iv) non-compliance with any federal, state or local laws, rules or regulation to which the Producer is subject; (v) commission by the Producer of an act involving dishonesty, fraud, theft, embezzlement, disloyalty or other act of moral turpitude as determined by the Company in its sole discretion; (vi) submission of information that the Producer knew or should have known was false to the Company; (vii) breach of a material term or condition of this Agreement.

**VII) GOVERNING LAW:**

This Agreement shall be governed by the laws of the State of New York.

**VIII) MISCELLANEOUS:**

We reserve the right, with or without cause, to refuse to appoint or to terminate the appointment of the Producer. The Company is solely responsible for underwriting Applications, administering Product(s) and settling policyholders' claims. In the event that any provision of this Agreement should be held to be void, voidable, unlawful or, for any reason unenforceable, the remaining portions hereto shall remain in full force and effect.

**IX) REPRESENTATION:**

The signature below certifies and represents to the Company that the Producer: (i) Acknowledges that it has received or has had the opportunity to receive independent legal advice from counsel of its choice with respect to this Agreement; (ii) Agrees to the terms of this Agreement and the Schedule(s) hereto; and (iii) Is properly licensed to solicit Long-Term Care Insurance. This Agreement may be executed via facsimile and such signatures shall be considered originals for all purposes.

**Agreed To By:**



\_\_\_\_\_  
*Producer's Signature*

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



\_\_\_\_\_  
*Producer's Name (Please Print)*

**MedAmerica Insurance Company  
MedAmerica Insurance Company of New York  
MedAmerica Insurance Company of Florida**

\_\_\_\_\_  
*William E. Jones, Vice President, Sales*

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

## **BUSINESS ASSOCIATE AGREEMENT**

This Business Associate Agreement is made as of December 16, 2008 (“Effective Date”) between MedAmerica Insurance Company, MedAmerica Insurance Company of New York, and/or MedAmerica Insurance Company of Florida, with an office at 165 Court Street, Rochester, New York 14647 (“Covered Entity”), and the individual/Company whose name and address appears on page six of this Agreement (“Business Associate”).

### **1. Recitals**

- a. Covered Entity and Business Associate are parties to one or more agreements pursuant to which Business Associate has agreed to provide certain services (as described in the Producer/Agent Agreement) on Covered Entity’s behalf (“Agreement”); and
- b. In order to perform its obligations under the Producer/Agent Agreement and this Agreement, Business Associate may be exposed to or receive certain confidential information relating to the business relationship with the Covered Entity, the confidentiality of which must be maintained, and which must be protected from further disclosure and unauthorized use.

### **2. “Confidential Information” Defined**

For purposes of this Business Associate Agreement, the term “Confidential Information” means any and all, written or oral, information pertaining to prospects, covered persons and/or applicants, including protected health information as that term is defined by 45 Code of Federal Regulations (“CFR”) Section 164.501. “Confidential Information” does not include information that becomes available to Business Associate on a non-confidential basis from a source other than Covered Entity, prospects, covered persons and/or applicants, provided that such information is not known by Business Associate to be proprietary or such source is not known by Business Associate to be bound by a confidentiality agreement or other obligation of secrecy to Covered Entity or another party.

### **3. “Electronic Protected Health Information” Defined**

For purposes of this Business Associate Agreement, the term “Electronic Protected Health Information” means individually-identifiable information that is transmitted by electronic media or maintained in electronic media. “Electronic media” includes both storage media and transmission media. “Storage media” includes memory devices in computers (e.g., hard drives), and any removable/transportable digital memory medium (e.g., magnetic tape or disk, optical disk or digital memory card). “Transmission media” is used to exchange information that is already in an electronic storage media. “Transmission media” includes the internet (wide-open), extranet (using internet technology to link a business with

information accessible only to collaborating parties), leased lines, dial-up lines, private networks, and the physical movement of removable/transportable electronic storage media.

#### **4. Limitations on Use and Disclosure**

Business Associate will not, in any manner or for any reason whatsoever, directly or indirectly:

- a. use all or any portion of the Confidential Information for any purpose other than solely for the performance of its obligations under the Producer/Agent Agreement or this Agreement;
- b. except as set forth in this Business Associate Agreement, disclose or otherwise make available in any manner or form to any person or entity all or any portion of the Confidential Information; or
- c. take any action or fail to take or abstain from taking any action the effect of which would cause Confidential Information to be disclosed or otherwise made available in a manner inconsistent with Business Associate's obligations under this Business Associate Agreement or the Producer/Agent Agreement.

In no event will Business Associate make any use or disclosure of Confidential Information that Covered Entity is not legally authorized to make.

#### **5. Permissible Use and Disclosure**

- a. Business Associate may disclose Confidential Information to its employees only on a need-to-know basis, provided that Business Associate:
  - i. directs its employees to use the Confidential Information solely for the purpose of fulfilling its obligations under the Producer/Agent Agreement and this Agreement;
  - ii. informs its employees of the confidential nature of the Confidential Information; and
  - iii. directs and causes its employees to treat Confidential Information confidentially, as required of Business Associate under this Business Associate Agreement.

Business Associate will provide Covered Entity with prompt written notice, upon Covered Entity's request, of all employees to whom Confidential Information was disclosed.

Business Associate will provide Covered Entity with advance written notice of all proposed subcontractors. Covered Entity will have the right to reject any subcontractor or to require Business Associate to cease using a subcontractor. All subcontractors of Business Associate

must agree, in writing, to abide by the terms and conditions of this Business Associate Agreement.

#### **6. Notice of Improper Use or Disclosure**

Business Associate will notify Covered Entity within the longer of 24 hours or one business day, upon learning of any use or disclosure of Confidential Information in contravention of this Business Associate Agreement. The notice will include to whom and for what purpose the Confidential Information was used or disclosed, the specific Confidential Information used or disclosed, and the circumstances surrounding the use or disclosure. Business Associate will also provide Covered Entity with immediate notice upon learning of any security breach or security incident. A "security incident" includes the attempted or successful unauthorized access, use, disclosure, modification or destruction of information or interference with a system operation in an information system.

#### **7. Safeguards**

Business Associate will implement and, upon request, provide Covered Entity with evidence of appropriate safeguards to ensure that Confidential Information is not used or disclosed in a manner inconsistent with this Business Associate Agreement. Such safeguards will include, at a minimum, written standards and procedures, satisfactory to Covered Entity, pertaining to storage, access, and transmission of Confidential Information to/by persons otherwise authorized to have access to it under the terms of this Business Associate Agreement. Business Associate will also implement and, upon request, provide Covered Entity with evidence of the implementation of administrative, physical, and technical security safeguards that reasonably and appropriately protect the integrity and availability of Electronic Protected Health Information that Business Associate creates, receives, maintains or transmits on behalf of Covered Entity. Such safeguards must, at a minimum, meet or exceed every security standard and implementation specification set forth in 45 CFR Parts 160-164.

#### **8. Access to Records**

- a) Covered Entity will have the right, at any time and from time to time, to audit Business Associate's books and records and to conduct on-site inspections of Business Associate's operations as necessary for Covered Entity to ensure Business Associate's compliance with the foregoing. Business Associate will cooperate fully with Covered Entity in the conduct of such audits and inspections;
- b) Business Associate will permit an individual (or the individual's personal representative) to inspect and obtain copies of any Confidential Information about the individual that Business Associate created or received, and that Covered Entity does not maintain. Business Associate will promptly forward to its Covered Entity contact person, any Confidential Information it creates or receives regarding an individual; and

- c) Business Associate will make its internal practices, books, and records relating to its treatment of Electronic Protected Health Information, and its use and disclosure of the Confidential Information it creates for or receives from Covered Entity, available to the United States Department of Health and Human Services, to determine compliance with 45 CFR Parts 160-64 or this Business Associate Agreement.

## **9. Amendment**

Within 15 days of receipt of Covered Entity's request, Business Associate will promptly amend, or permit Covered Entity access to amend, any portion of the Confidential Information that Business Associate created for or received from Covered Entity, so that Covered Entity may meet its amendment obligation under 45 CFR Section 164.526.

## **10. Documentation**

Business Associate will document each disclosure it makes of Confidential Information it creates for or receives from Covered Entity; and will forward notice of such disclosure, including what information was disclosed, to whom the information was disclosed, and for what purpose the information was disclosed, to the attention of Covered Entity's Privacy Officer at 165 Court Street, Rochester, New York 14647. In addition, Business Associate will make available to Covered Entity for inspection during regular business hours at its place of business, within 30 days of Covered Entity's request, its books, records, and other documents relating to such disclosures, so that Covered Entity may meet its disclosure accounting obligations under 45 CFR Section 164.528.

## **11. Requested/Required Disclosures**

Unless disclosure is permitted under this Business Associate Agreement, if Business Associate is requested or required (by deposition, interrogatory, request for information or documents, subpoena, civil investigative demand or similar process) to disclose any Confidential Information, Business Associate will provide Covered Entity with notice (by telephone, fax or any other reasonable form of communication) within 24 hours or one business day of request or demand, and before responding, so that Covered Entity may seek an appropriate remedy. Business Associate will furnish only that portion of the Confidential Information that Covered Entity specifically authorizes Business Associate to disclose, or that Business Associate is legally required to disclose.

## **12. Return of Confidential Information**

Upon Covered Entity's request, or in the event that the Producer/Agent Agreement or this Business Associate Agreement is terminated, Business Associate will promptly return to Covered Entity or destroy all written material containing or reflecting any Confidential Information. The return of such material will not relieve Business Associate of its obligations under this Business Associate Agreement. In the event that the return or destruction of any material containing or reflecting any Confidential Information is

infeasible, Business Associate may not further use or disclose the Confidential Information and will certify same in writing to Covered Entity, upon their request.

### **13. Remedies for Breach**

- a. In the event of any breach or threatened breach of this Business Associate Agreement, Covered Entity will be entitled to all legal and equitable remedies, including specific performance, without requirement of proof of actual damages or threat of actual damages. Business Associate will indemnify, hold harmless, and defend with competent counsel Covered Entity from and against any claim, action, proceeding, loss, damages, costs, expenses (including, without limitation, reasonable attorneys' fees) or liabilities resulting from its use or disclosure of Confidential Information in contravention of this Business Associate Agreement, and for any breach of this Business Associate Agreement.
- b. In the event that Covered Entity determines, in its sole discretion, that Business Associate has violated a material term of this Business Associate Agreement, Covered Entity will be entitled to immediately cease providing Confidentiality Information to Business Associate, to immediately terminate the Agreement and this Business Associate Agreement, and to invoke one or more of the remedies available under this Business Associate Agreement.

### **14. Survival**

The rights and obligations of the parties set forth in this Business Associate Agreement will survive the termination of the Producer/Agent Agreement or this Business Associate Agreement.

### **15. No Third Party Beneficiaries**

Covered Entity and Business Associate agree that there are no intended third party beneficiaries under, or other parties to, this Business Associate Agreement.

### **16. Modification/Waiver**

This Business Associate Agreement may be modified or waived only by a separate writing executed by the parties that expressly modifies, or waives a specific provision of, this Business Associate Agreement. Business Associate will abide by any modifications made to this Business Associate Agreement by Covered Entity for the purpose of maintaining compliance with any statutory, regulatory or other legal requirement.

### **17. Governing Law; Jurisdiction; Venue**


This Business Associate Agreement will be governed by and construed in accordance with the laws of the State which govern the agreements referenced in Section 1 of this

Agreement. Any action brought under this Business Associate Agreement will be brought in a court of competent jurisdiction venued in the above referenced State.

**MedAmerica Insurance Company  
MedAmerica Insurance Company of Florida  
MedAmerica Insurance Company of New York**

Printed Name: William E. Jones, Jr.  
Signature: William E. Jones  
Title: Vice President, MedAmerica Sales  
Street Address: 165 Court St.  
City, State, Zip: Rochester, NY 14647  
Date: December 16, 2008

**Business Associate**

Printed Name: \_\_\_\_\_  
Signature: \_\_\_\_\_   
Title/Company: \_\_\_\_\_  
Street Address: \_\_\_\_\_  
City, State, Zip: \_\_\_\_\_  
Date: \_\_\_\_\_

**CODE OF BUSINESS CONDUCT**

**FOR**

**THE LIFETIME HEALTHCARE COMPANIES**

**PRODUCERS**

**Approved**

**January 29, 1999**

**Revised and Approved**

**May 19, 2000, March 31, 2006,**

**March , 2008**

Welcome to The Lifetime Healthcare Companies.

I am pleased to share with you The Lifetime Healthcare Companies Code of Business Conduct (the "Code"). This Code focuses on business conduct and ethics - in other words, the way we do business. It can be used to apply and maintain the highest standards of ethical conduct in our business practices.

The Lifetime Healthcare Companies (collectively, the "Corporation") is committed to the values of honesty, integrity, and fairness, and the implementation of this Code is proof of our commitment. The Code educates us about the legal and ethical rules of accepted business practices, raises awareness of questionable conduct, and provides ways to report suspected ethics violations. It will help you make informed, fair business decisions for the Corporation.


You are responsible for upholding our core values of honesty, integrity, and fairness and for applying them to your everyday work activities. When you are uncertain about the ethics of a business decision, use the information in this Code to help you make an ethical decision.

You are also responsible for reporting any unethical activities in other areas of the Corporation. Without diligent application of our business values, the Corporation or you could be at risk for legal consequences.

There are several resources to help you raise concerns or report possible violations of the Code. You may speak to your immediate supervisor, the Office of Corporate Ethics & Compliance, or Corporate Legal. Senior management and the Special Investigations Unit are also available to assist you. You may use a special telephone compliance hotline, the Ethics & Compliance Hotline (1-800-275-0170), or you may send an email message to Ethics and Compliance to report violations.

Please review this Code. If you have any questions, please contact the resources listed in the previous paragraph.

Thank you for your commitment to the principles outlined in the Code. Our continued success and our future depend on it.

  
Sincerely,

David H. Klein  
Chief Executive Officer

**PRODUCERS**

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**PRODUCERS  
CODE OF BUSINESS CONDUCT**

**I. INTRODUCTION TO THE CODE OF BUSINESS CONDUCT**

The Lifetime Healthcare Companies Code of Business Conduct (the "Code") applies to employees, directors, contractors, agents and brokers of Lifetime Healthcare, Inc. and its subsidiaries and affiliates (collectively, the "Corporation.")

The Code was prepared with the advice and assistance of legal counsel and has been approved by the Lifetime Healthcare, Inc. Board of Directors. The Code is a formal statement of the Corporation's commitment to the standards and rules of ethical business conduct. It supplements the Corporation's commitment to conduct all activities in accordance with applicable laws and regulations.

This chapter of the Code specifically applies to agents and brokers (collectively "producers") of the Corporation. All producers of the Corporation must comply with this Code, immediately report any alleged violations, and assist compliance personnel in investigating allegations of wrongdoing. The policy of the Corporation is to prevent the occurrence of unethical or unlawful behavior, to halt such behavior as soon as reasonably possible after its discovery, and to sanction producers who violate the Code, including producers who neglect to report a violation.

No code of conduct can cover all circumstances or anticipate every situation. Consequently, producers encountering situations not addressed specifically by this Code should apply the overall philosophy and concepts of the Code to the situation, along with the highest ethical standards observed by honorable people everywhere. If a question still exists in your mind, the particular circumstances should be reviewed with the Corporate Compliance Officer. The Corporate Compliance Officer may be reached by contacting the Ethics & Compliance Hotline (1-800-275-0170) and requesting that the Corporate Compliance Officer return the call.

**II. ETHICS**

It is the long-standing policy of the Corporation to observe all laws applicable to its business. Even where the law is permissive, the Corporation chooses the course of highest integrity. While local customs, traditions, and mores differ from place to place honesty is valued in every culture.

Producers of the Corporation must understand that how results are obtained, not just that they are obtained, is important. Producers are expected to record all transactions accurately; and to be honest and forthcoming with the Corporation, the Corporation's regulatory agencies, and internal and external auditors.

The intent of this Code is that the entire Corporation function with honesty in internal operations and in dealing with members/insureds, accounts, providers, suppliers, and all others with whom the Corporation does business.

### **III. CONFLICT OF INTEREST**

Producers must not allow any outside financial interest or competing personal interest to influence their decisions or actions taken on behalf of the Corporation. Producers must avoid any situation where a conflict exists or might appear to exist between their interests and those of the Corporation. The appearance of a conflict of interest may be as serious as an actual conflict of interest.

The Corporation will not be inappropriately influenced to purchase goods or services from any business in which a producer or close relative of a producer has a substantial interest. Occasional exceptions may be made when it is in the best interest of the Corporation, but only when documented and approved by senior management and the Corporate Compliance Officer.

### **IV. MAINTENANCE OF BOOKS AND RECORDS**

Producers must record and report all transactions with or on behalf of the Corporation fully, accurately, and honestly. Records include, but are not limited to, accounting books or records, financial reports, business and time records, expense reports, vouchers, bills, payroll, membership/insured records, correspondence and other records of communication, and claims payments records. No relevant information is to be omitted or concealed, nor may any secret or unrecorded funds or assets be created for any purpose.

#### **A. Falsification of Records**

False entries must never be made in any of the Corporation's books or records or in any public record for any reason. No permanent entries in the Corporation's records may be altered in any way. No payment or receipt on behalf of the Corporation may be approved or made with the intention or understanding that any part of the payment or receipt is to be used for a purpose other than that described in the documents supporting the transaction. "Slush funds" or similar off-book accounts, where there is no accounting for receipts or expenditures on the corporate books, are strictly prohibited. It is very important that producers not create or participate in the creation of any records that are intended to mislead or to conceal anything that is improper.

#### **B. Expense Records**

Expenditures must always be charged accurately.

### **C. Retention of Records**

The retention, disposal or destruction of records of or pertaining to the Corporation must always comply with legal and regulatory requirements, and corporate policy. Records pertaining to litigation or a government investigation or audit are not to be destroyed without express approval from the Corporate Compliance Officer.

## **V. PROTECTION OF CONFIDENTIAL INFORMATION**

Producers may be entrusted with important confidential information that may not be released without proper authorization. Such authorization must come from corporate officials with the authority to authorize the requested disclosure. The Office of Corporate Ethics & Compliance or Corporate Legal can help identify an appropriate corporate official. When questions arise regarding whether authorization has been appropriately given, doubts should be resolved in favor of non-disclosure.

Confidential information includes medical and claims information about members/insureds as well as information regarding the Corporation's business activities.

Protected health information, financial data, sales figures, planned new products/projects or planned advertising programs, areas where the Corporation intends to expand, lists of suppliers, lists of accounts, lists of prospects, lists of member/insureds, provider data, wage and salary data, capital investment plans, projected earnings, changes in management or policies of the Corporation, testing data, suppliers' prices to the Corporation, or any plans the Corporation may have for any of its products are also confidential information.

All producers must abide by the confidentiality obligations imposed by the Corporation. Producers must avoid even inadvertent disclosures of confidential information.

### **A. Termination of Relationship**

Once a producer's relationship with the Corporation ends, the producer may not take or use any confidential information gained from the relationship with the Corporation. Producers may not take or use originals or copies of any reports, manuals, proposals or any other property belonging to the Corporation at any time.

### **B. Information Security**

Producers are responsible for properly using information stored and produced by all of the Corporation's systems. System user names and passwords may not be shared between individuals. Any use of a user name or password other than the producer's own without the express permission of an appropriate official of the Corporation shall be considered theft of service and a violation of corporate policy.

Microcomputers, personal computers, Internet access, e-mail, or other office communications systems are intended for business-related purposes only and not for use that may be considered disruptive, offensive, harassing, or harmful to others. Occasional and incidental Internet or e-mail use is permitted, however, if it does not interfere with an individual's work or the operations of the Corporation, and it does not violate any corporate policies, procedures, practices or directives.

Any questions concerning information security may be directed to the Corporate Security Officer.

## **VI. Fair Dealing**

Conducting business with providers, contractors, other producers, accounts and members/insureds on behalf of the Corporation can pose ethical problems. This Code is intended to assist in making appropriate, responsible, and correct decisions. Producers are expected to exercise good judgment and discretion in these matters.

### **A. Kickbacks and Rebates**

The purchase or sale of goods and services must not lead to the receipt of kickbacks or rebates by producers or their families. Kickbacks or rebates may take many forms and are not limited to direct cash payments or credits. If a producer or a member of his or her family stands to gain personally in the form of a kickback or rebate from a transaction, the transaction is prohibited. Such practices are not only unethical, but are, in many cases, illegal.

### **B. Gifts or Gratuities**

Producers must be aware that employees of the Corporation may not accept or encourage gifts of money under any circumstances. They may not solicit non-monetary gifts, gratuities, or any other personal benefit or favor of any kind from providers, contractors, producers, accounts or members/insureds.

Employees and their immediate families may accept unsolicited, non-monetary gifts from a business firm or individual doing or seeking to do business with the Corporation if the gift is primarily of an advertising or promotional nature. Employees may accept a gift or gratuity of a nominal value that a business firm or individual provides to a wide spectrum of existing and potential customers. Nominal value shall be as defined by corporate policy as may be amended from time to time.

If protocol, courtesy or other special circumstances require it, employees may accept gifts or gratuities of more than nominal value; however, any gift or gratuity of more than nominal value must be reported to the Corporate Compliance Officer (or designee), who will use The Lifetime Healthcare Companies Business Courtesies Policy as a guide to determine whether the employee may keep the gift or gratuity.

### **C. Entertainment**

Producers must be aware that employees of the Corporation may only accept entertainment if it:

- is not excessive;
- does not involve lavish expenditures; and
- is compliant with corporate policy and any applicable laws and regulations.

Offering entertainment to employees that is not a reasonable addition to a business relationship but is primarily intended to gain favor or to influence a business decision is not permitted.

### **D. Agreements with Producers**

Agreements between the Corporation and a producer must clearly and accurately describe the services to be performed, the performance standards, and applicable compensation, if any. Compensation must be reasonable in amount. For example, payment may not be excessive in terms of industry practice, not in violation of applicable laws and regulations, and must equal or match the value of the services rendered.

Each agreement with a producer will include a Code of Conduct. Producers are required to acknowledge receipt of the Code and adhere strictly to its provisions. Each agreement will also include a confidentiality or business associate agreement, as appropriate.

### **E. Improper Use of Funds or Assets**

Use of the Corporation's funds or assets for any improper purpose is prohibited. Examples of improper use of funds or assets include:

- payments for any unlawful or unethical purposes;
- payments outside the scope of agreements entered into by or on behalf of the Corporation; and
- use of the Corporation's assets in violation of corporate policy or any applicable law or regulations.

A producer who knows or has reason to know of an actual or potential improper use of the Corporation's funds or assets has an obligation to report it to the Corporate Compliance Officer. The Corporate Compliance Officer may be reached by contacting

the Ethics & Compliance Hotline (1-800-275-0170) and requesting that the Corporate Compliance Officer return the call.

## **VII. FEDERAL AND STATE CONTRACTS; FEDERAL PROCUREMENT**

### **A. Gifts to Government and Public Officials**

Federal and state statutory provisions prohibit public officials, including employees, from accepting anything of value, subject to reasonable exceptions such as modest items of food and refreshments. No producer shall either offer or make a gift to a federal or state public official on behalf of the Corporation.

It is also illegal for any person to give a gift or to offer or promise anything of value to a public official for or because of any official act performed or to be performed by such official. Additionally, it is a crime to make a payment to a public official as compensation for public duties performed.

### **B. Federal Procurement**

The Corporation is subject to the Federal Procurement Integrity Act when bidding on a federal contract, such as a Medicare Advantage contract. This law restricts certain business conduct for a company seeking to obtain work from the Federal Government. During the bidding process, producers, on behalf of the Corporation, may not:

- offer or discuss employment or business opportunities at the Corporation with any agency procurement official,
- offer or give gratuities or anything of value to any agency procurement official, or
- seek to obtain any confidential information about the selection criteria before the government awards the contract. This includes information submitted by another company in a bid or proposal and marked "Proprietary," as well as the selection criteria and the evaluation of bids and proposals.

## **VIII. FEDERAL AND STATE PROGRAMS**

The Corporation is committed to abiding by the laws and regulations that govern the state and federal programs with which it participates. Accordingly, producers acting on behalf of the Corporation are required to comply with all applicable statutory, regulatory, and other requirements of the Medicaid and Medicare programs, including the Medicare Part D program. Producers are also required to comply with the Corporation's fraud, waste, and abuse policies and procedures.

**IX. GOVERNMENTAL INVESTIGATIONS**

From time to time, the Corporation may be asked to cooperate with a governmental examination or investigation or respond to a request for information. A request may be addressed formally to the Corporation or directed informally to an individual within the Corporation by a regulator or enforcement agency. All producers are required to report requests for information or cooperation to the Corporate Compliance Officer by contacting the Ethics & Compliance Hotline (1-800-275-0170) and requesting that the Corporate Compliance Officer return the call.

**X. EMPLOYMENT ENVIRONMENT**

All producers must comply with all applicable laws and regulations and corporate policies affecting safety, health, and the environment. It is the policy of the Corporation to maintain an environment that is free from violence, drugs, alcohol, and the effects of violence, drugs, and alcohol.

The Corporation is committed to providing a work environment that is free of harassment and discrimination in all aspects. All producers are required to support the Corporation's commitment to a safe and professional work environment and to conduct themselves appropriately in dealing with the Corporation's employees. Suspected violations of any corporate policies must be reported as detailed below in Section XI "Seeking Guidance and Reporting Violations."

**XI. SEEKING GUIDANCE AND REPORTING VIOLATIONS**

Producers must report any actual or suspected violation of this Code; any applicable law or regulation; or any corporate policy, practice or procedure that could adversely affect the Corporation. Producers may make reports to the Corporate Compliance Officer by contacting the Ethics & Compliance Hotline (1-800-275-0170) and requesting that the Corporate Compliance Officer return the call. Reports involving state or federal programs may be made to the Corporation, as described above, the Centers for Medicare and Medicaid Services, or law enforcement.

When a report is made, steps will be taken to protect anonymity and confidentiality, where warranted and appropriate. The Corporation will not tolerate any form of retaliation against a person who makes a good-faith report in accordance with this Code.

All producers have an obligation to cooperate openly and honestly in any corporate investigation into a reported violation of this Code, any corporate policy, practice or procedure, or any applicable law or regulation.

**XII. CORRECTIVE ACTION AND/OR TERMINATION**

Any violation or knowing failure to report any violation of this Code; any applicable law or regulation; or any corporate policy, practice or procedure by a producer may result in termination of the relationship with the Corporation.

The Corporation may take other actions as appropriate to address violations of the Code by any producer.

Any producer who harasses or threatens an employee for reporting violations will be subject to termination. The Corporation will not tolerate such retaliation.

**Corporate Code of Business Conduct Acknowledgement**

By Signing below, I acknowledge that I have received The Lifetime Companies (the "Corporation") Code of Business Conduct. I have read the Code and understand its purpose. I understand that the Code applies to me and I agree to abide by all of its provisions. I understand that I have a duty to report any violations of the Code and that if I fail to report a violation of any provision of the Code that I may face termination of my contract to represent the Corporation. If the Agent/Producer is a corporation, use of the words "me" or "my" or "you" or "your" shall mean not only the individual signing, but also the corporation. If the Agent/Producer is a corporation, the undersigned warrants and acknowledges that he/she has the necessary authority to execute this Acknowledgement.

Print Name of Agent/Producer/Principal

Print Name of Agency if Signing as Principal of Agency

SIGN HERE

Signature

Date