

Agent/Agency Agreement

This Agent/Agency Agreement (“Agreement”) between North Shore-LIJ Insurance Company Inc. and (“NSIC”) and _____ (“Agent”) sets forth the terms and conditions under which Agent may sell health coverage by NSIC, as well as ancillary, non-medical coverage (for example, life, disability, vision, and dental coverage) sold in conjunction therewith or on a stand-alone basis.

Effective Date. This Agreement is effective as of the date it is signed by both parties, as noted on the signature page hereto (“Effective Date”), and replaces and supersedes any prior agreement between the parties regarding the solicitation and sale of NSIC’s Benefit Plans and any compensation payable with respect thereto.

Section 1: Definitions

- 1.1 **Agent** means the person or entity licensed and appointed by NSIC to solicit a Customer to purchase a Benefit Plan and who is a party to this Agreement.
- 1.2 **Agent of Record** means a legally eligible person or entity designated by a Customer to serve as its insurance agent, broker, or producer and that NSIC may compensate under the terms of this Agreement.
- 1.3 **Benefit Plan** means a health coverage product (e.g., a health insurance or HMO policy) and/or ancillary product (e.g., a life insurance policy) that NSIC has authorized to be sold to a Customer.
- 1.4 **Customer** means an entity or a person with which NSIC has a contract to provide individual or group coverage under a Benefit Plan.
- 1.5 **Governmental Entity** shall include, but be not limited to, villages, townships, cities, counties, public school districts and similar tax supported entities.

Section 2: Rights and Responsibilities

- 2.1 **Solicitation of Customer.** NSIC authorizes Agent to sell NSIC’s Benefit Plans under the terms of this Agreement. Agent agrees to solicit prospective Customers to enroll in one or more Benefit Plans from NSIC. In making these solicitations, Agent will comply with the following terms and conditions:
 - (a) **Proposals.** Any proposal Agent gives to a prospective Customer must accurately reflect NSIC’s terms of coverage, including but not limited to benefits and premiums, and must not be misleading.
 - (b) **Terms may not be changed without NSIC’s approval.** Agent may not alter any term of a proposal except with NSIC’s prior written approval.

- (c) **Application Information.** Agent must accurately and completely record and submit to NSIC all information that NSIC requires in order to enroll Customers under a Benefit Plan.
 - (d) **Marketing Materials.** If Agent uses any material not provided or approved by NSIC, the material must be accurate and not misleading. Agent must promptly return all marketing and enrollment materials provided by NSIC when this Agreement terminates, or sooner upon NSIC's request. Any marketing materials proposed for use by Agent but not provided or previously approved by NSIC are subject to prior approval by NSIC.
- 2.2 Licensing.** Agent must possess and maintain every license required by law to perform services under this Agreement, including licensure for every state in which Agent conducts business under this Agreement. Agent must provide proof of licensure to NSIC upon request. Agent must immediately notify NSIC of any expiration, termination, revocation, suspension or any other action by a Department of Insurance or any other governmental agency affecting licenses required to perform services under this Agreement. In states that issue renewal licenses, Agent must furnish NSIC with a copy of Agent's renewal license.
- 2.3 Appointment.** NSIC, in its sole discretion, will appoint Agent to solicit prospective customers to purchase Benefit Plans from NSIC. Subject to applicable law, NSIC may terminate any of Agent's appointments at any time without terminating this Agreement in its entirety.
- 2.4 Training.** Agent must successfully complete any training NSIC requires within 6 months after being notified by NSIC that such training is required.
- 2.5 Acceptance for Enrollment.** Agent acknowledges that only NSIC, and not Agent or any other person, may accept or reject for enrollment a prospective Customer. Agent further acknowledges that no Customer is eligible to receive coverage under a Benefit Plan unless and until NSIC accepts and enrolls the Customer and that only NSIC, and not Agent or any other person, has the right to determine the effective date of coverage.
- 2.6 Servicing of Customers.** Agent must assist Customers in enrolling, maintaining, and renewing coverage under any applicable Benefit Plan as reasonably required by NSIC and/or the Customer.
- 2.7 No Combining of Businesses for Purposes of Maximizing Bonuses or Rewards.** Agent agrees that it will not create partnerships, arrange assignments, or use other devices as a means of combining business for the purpose of maximizing any bonus payment or other reward from NSIC. This provision does not entitle Agent to receive any bonus payment(s) or reward(s) from NSIC if Agent is not otherwise eligible to receive any such bonus payment(s) or reward(s).

2.8 Extent and Limitation of Agent's Authority. Agent has no authority to act on NSIC's behalf except as expressly provided in this Agreement. Without limiting the forgoing, Agent must not represent by word or deed that Agent has authority to: (a) bind coverage; (b) accept an applicant for coverage under a Benefit Plan; (c) misrepresent or omit material facts in an application; (d) collect any premium, except for the first month's premium; (e) modify or waive any Benefit Plan or any Benefit Plan's term regarding enrollment, coverage, or benefits; (f) distribute any advertisement, circular, or promotional literature that is inaccurate, misleading, or that NSIC has disapproved; (g) sell any Benefit Plan or other product not expressly authorized by this Agreement; or (h) do any other thing, on behalf of NSIC, not expressly permitted by this Agreement.

2.9 Books and Records; Audit.

- (a) **Adequate records required.** Agent must maintain adequate books and records in accordance with applicable law and standards within the health care insurance industry.
- (b) **NSIC may audit Agent's records.** Agent agrees to permit NSIC to inspect and audit all information and records related to services Agent performs for NSIC under this Agreement. NSIC must give Agent reasonable notice and conduct the inspection and audit during regular business hours.

2.10 Protection of Private Information. Agent understands and acknowledges that, while performing services under this Agreement, Agent may receive from NSIC, or create or receive on behalf of NSIC, certain information that is defined as "Protected Health Information" ("PHI") under the privacy regulations issued under the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") or "nonpublic personal information" under the Gramm-Leach-Bliley Act and implementing regulations ("GLB"), or both.

To the extent Agent provides services or assistance to NSIC and requires access to PHI in order to perform such services or act on behalf of NSIC, Agent shall be considered a Business Associate of NSIC, and Agent shall agree to the terms of subsections (a) through (i) of Section 2.10 of this Agreement regarding Agent's use and disclosure of this information. To the extent Agent is not acting on behalf of or at the direction of NSIC, Agent shall not be considered a Business Associate of NSIC.

Regardless of whether Agent is considered a Business Associate of NSIC, Agent agrees that it will use or disclose PHI it receives from, or is created or received on behalf of, NSIC and nonpublic personal information ("Personal Information") received from or created or received on behalf of NSIC, only to the extent to which HIPAA, GLB, or other federal or state privacy laws applicable to NSIC would permit NSIC to use or disclose the information.

Agent acknowledges that being considered a Business Associate of NSIC does not automatically entitle Agent to access certain PHI and Personal Information and that

NSIC may deny broker access to PHI and Personal Information or condition such access on Agent meeting certain requirements, at NSIC's discretion.

- (a)** With regard to its use or disclosure of PHI or Personal Information, Agent agrees, represents and warrants to NSIC that Agent will:

 - (1) not use or further disclose any PHI or Personal Information, except as permitted by this Agreement or as required by law;
 - (2) maintain and use appropriate safeguards at all times to prevent PHI or Personal Information from being used or disclosed, except as permitted by this Agreement or required by law; and
 - (3) ensure that any subcontractor or agent to whom Agent provides any PHI or Personal Information agrees, in writing, to abide by the same conditions and restrictions with regard to the PHI or Personal Information that apply to Agent, including, without limitation, all of the requirements of this Section 2.10, subsections (a) through (i).

- (b)** With regard to its use or disclosure of PHI, Agent hereby agrees, represents, and warrants to NSIC that Agent will, in the time and manner designated by NSIC:

 - (1) report promptly to NSIC if Agent becomes aware of any use or disclosure of any PHI that is not permitted by this Agreement;
 - (2) mitigate, to the extent practicable, any harmful effect caused by Agent's violation of the terms of this Agreement;
 - (3) make available to NSIC (or to an Individual, if directed to do so by NSIC) PHI in a Designated Record Set, so that NSIC may respond to an Individual's Request For Access to information about the Individual in accord with the HIPAA privacy regulation;
 - (4) Amend or correct PHI in a Designated Record Set in accord with the HIPAA privacy regulation;
 - (5) document disclosures of PHI and information related to disclosures by Agent that will permit for NSIC to respond to a request from an Individual for an Accounting of Disclosures of PHI in accord with the HIPAA privacy regulations;
 - (6) make available to NSIC (or to an Individual, if directed to do so by NSIC) the information documented under subsection (b)(5) above, that would permit NSIC to respond to a request from an Individual for an Accounting of Disclosures, in accordance with the HIPAA privacy regulations; and

- (7) make its internal practices, books, and records relating to the use and disclosure of PHI available to NSIC and the Secretary of Health and Human Services (“the Secretary”) for purposes of determining NSIC's compliance with the HIPAA privacy regulations. Information provided under this subsection must be provided in the time and manner designated by the Secretary, as well as in the time and manner designated by NSIC.
- (c) With regard to its use and/or disclosure of electronic protected health information (“EPHI”), as such term is defined by the Security Standards published on February 20, 2003 at 68 Fed. Reg. 8334 et seq. (45 C.F.R. Parts 160, 162 and 164) as hereafter amended (“HIPAA Security Rule”), Agent shall:
 - (1) implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the EPHI that Agent creates, receives, maintains, or transmits on behalf of NSIC;
 - (2) ensure that any and all subcontractors or agents to whom Agent provides EPHI agrees, in writing, to implement reasonable and appropriate safeguards to protect such EPHI; and
 - (3) report to NSIC any Security Incident (as defined in 45 CFR Section 164.304) relating to EPHI of which Agent become aware, in accordance with its standard reporting procedures.
- (d) From and after the compliance date applicable to NSIC with respect to the Standards for Electronic Transactions and Code Sets promulgated at 45 CFR parts 160 and 162 (“EDI Rules”), Agent will take all steps necessary and appropriate to ensure that Agent complies with the applicable provisions of the EDI Rules.
- (e) Each term and condition of this Section 2.10 that is required by HIPAA or GLB is effective on the date the applicable HIPAA regulations and/or GLB apply to NSIC or this Agreement, respectively.
- (f) When this Agreement terminates, regardless of the reason, Agent must return to NSIC or destroy all PHI and Personal Information, and retain no copies in any form whatsoever except one copy may be retained by the Agent in compliance with legal or regulatory requirements. This provision applies to PHI and/or Personal Information that is in the possession of subcontractors, vendors, or agents of Agent.
- (g) Unless otherwise specified in this Agreement, all capitalized terms in this Agreement not otherwise defined have the meaning established by HIPAA, as amended from time to time.

- (h) NSIC and Agent agree to take such action as is necessary to amend this Agreement from time to time as is necessary for NSIC to comply with the requirements of HIPAA, the HIPAA privacy regulations, HIPAA Security Rule, GLB, and other federal and state privacy and consumer rights laws and regulations applicable to NSIC. Agent agrees to cooperate with and assist NSIC in order for NSIC to meet its obligations under applicable privacy laws and regulations.
- (i) This Section 2.10 survives termination of this Agreement.
- (j) The terms and conditions of this section required by HIPAA shall be construed in light of any applicable interpretation of or guidance on the HIPAA privacy regulation or Security Rule issued by the Secretary from time to time. Any ambiguity in this Section 2.10 shall be resolved in favor of a meaning that permits NSIC to comply with applicable laws and regulations.
- (k) American Recovery and Restoration Act (“ARRA”)
 - (1) **Definitions.** All capitalized terms used in this section not otherwise defined in this Agreement have the meanings established for purposes of the Health Insurance Portability and Accountability Act of 1996 and its implementing regulations (collectively, “HIPAA”) and ARRA, as each is amended from time to time. “Breach” shall mean the acquisition, access, use or disclosure of PHI in a manner not permitted by the Privacy Rule that compromises the security or privacy of the PHI as defined, and subject to the exceptions set forth, in 45 C.F.R. 164.402. “Compliance Date” shall mean, in each case, the date by which compliance is required under ARRA and/or its implementing regulations, as applicable; provided that, in any case for which that date occurs prior to the Effective Date of this Agreement, the Compliance Date shall mean the Effective Date of this Agreement. “Affiliate”, for purposes of this section, shall mean any entity that is a subsidiary of NSIC. “Services” shall mean, to the extent and only to the extent they involve the creation, use or disclosure of PHI, the services provided by Agent, acting as a Business Associate, to NSIC, in its role as a Covered Entity, under the Agreement, as amended by written agreement of the Parties from time to time. All references in this section to ARRA shall be deemed to include all associated implementing regulations, when and as each is effective.
 - (2) **Agent’s Obligations.** With regard to its use and/or disclosure of PHI, as of the respective Compliance Date of each referenced obligation, Agent agrees to: (a) comply with the HIPAA Security Rule requirements in accordance with 42 U.S.C. § 17931; (b) without unreasonable delay, and in any event on or before 48 hours after its Discovery by Agent, notify NSIC of any incident that involves an unauthorized acquisition, access, use, or disclosure of PHI, even if Agent believes the incident will not rise

to the level of a Breach, including in the notification, to the extent possible, and supplement the notification on an ongoing basis with: (i) the identification of all individuals whose Unsecured PHI was or is believed to have been involved; (ii) all other information reasonably requested by NSIC to enable NSIC to perform and document a risk assessment in accordance with 45 C.F.R. Part 164 subpart D with respect to the incident to determine whether a Breach of Unsecured PHI occurred; and (iii) all other information reasonably necessary to provide notice to individuals, HHS and/or the media, all in accordance with the data breach notification requirements set forth in 42 U.S.C. § 17932 and 45 C.F.R. Parts 160 & 164 subparts A, D, & E as of their respective Compliance Dates. Notwithstanding the foregoing, in NSIC's sole discretion and in accordance with its directions, Agent shall conduct, or pay the costs of conducting, an investigation of any incident required to be reported under this Section 2(b) and shall provide, and/or pay the costs of providing, the required notices as set forth in this Section 2(b); (c) request, use and/or disclose only the minimum amount of PHI necessary to accomplish the permitted purpose of the request, use or disclosure; provided, that Agent shall comply with 42 U.S.C. § 17935(b); and (d) comply in all respects with all its other obligations in accordance with ARRA, including without limitation, 42 U.S.C. §§ 17934(b), 17935(c), (d) & (e), and 17936(a) & (b).

2.11 Insurance and Indemnification.

- (a) **Insurance.** Agent must maintain general liability, professional liability, and errors and omissions insurance or bonds in amounts and in forms standard and adequate for Agent's business and agreeable to NSIC. Agent must provide NSIC proof of insurance upon NSIC's request. Agent must immediately notify NSIC in writing if Agent's insurance terminates, is cancelled, suspended, or changes in a material way, including but not limited to a change in the amount of insurance.
- (b) **Indemnification.** NSIC and Agent will indemnify, hold harmless, and defend the other from and against any and all claims, litigations, losses, liabilities, costs, and other expenses incurred as a result of a material breach of the terms of this Agreement. NSIC and Agent will indemnify and hold harmless and defend the other (including its directors, officers, attorneys, and employees) from any claims, liability, judgments, damages, or costs (including reasonable attorneys' fees) asserted or awarded against or incurred by either party as a result of any act, error, or omission.

2.12 Provision of Materials; Training. NSIC will furnish Agent with materials and training that, in NSIC's sole judgment, are necessary for Agent to perform Agent's duties under this Agreement.

- 2.13 Federal Crime Control Act.** By signing this Agreement, Agent certifies that Agent has not been convicted of, or pled guilty or no contest, to any criminal felony involving dishonesty or breach of trust and has not been convicted of an offense under Section 1033 of the Violent Crime Control and Law Enforcement Act of 1994. Agent further agrees to notify NSIC, in writing, immediately upon receiving notice of any misdemeanor or felony charges or any actions including, but not limited to, convictions by any governmental authority for commission of any act involving fraud, dishonesty, breach of trust, theft, misappropriation of money, or breach of any fiduciary duty.
- 2.14 Compliance with Company Rules.** Agent will abide by all applicable NSIC policy and procedures and written notices provided to Agent.

Section 3: Compensation

- 3.1 Compensation Payable to Agent.** NSIC will compensate Agent for Agent's services during the term of this Agreement in accordance with the terms and conditions set forth in any applicable commission, bonus, or other compensation schedule or information (as determined solely by NSIC) that may be made available by NSIC from time to time. Notwithstanding anything to the contrary contained in this Agreement or any such compensation schedule or information, NSIC will not compensate Agent under the terms of this Agreement, except with respect to all Customers (regardless of the effective date of coverage by customer) for which: (a) Agent is the Agent of Record; (b) Agent continues to service the customer (regardless of whether the writing agent is affiliated with Agent); and (c) NSIC determines, in its sole discretion, that it may legally compensate Agent. Notwithstanding anything to the contrary in this Agreement, no compensation will be paid on any Customer where the Agent is not receiving base commissions.
- 3.2 Payment.** NSIC will compensate Agent monthly; provided, however, that NSIC will only compensate Agent with respect to any particular Customer within 60 days after NSIC receives payment of that Customer's monthly contract charges.
- 3.3 Commissions on Hold.** NSIC may, at its discretion, place compensation of Agent on hold, if based on Agent's information on file with NSIC, Agent no longer complies with the terms of this Agreement. Agent agrees to forfeit any compensation placed on hold, if the cause of such hold has not been resolved within six (6) months of the hold's effective date, as indicated on a hold notification letter or commissions statement.
- 3.4 Modification or Termination of Compensation.** NSIC may terminate or amend any base commission payable to Agent with respect to any Customer (regardless of the original effective date of coverage by NSIC) at any time by notifying Agent (in a manner consistent with the terms of this Agreement) thirty (30) or more days before the effective date of the termination or amendment.

NSIC has the right to exclude any case from eligibility for any and all bonus programs if it determines, at its sole discretion, that including the case in the bonus program would

create an actual or perceived conflict of interest for Agent and a Customer. NSIC has the right to exclude any case from eligibility for any bonus program for any reason.

NSIC may terminate or amend any override, bonus or other recognition or reward program applicable to Agent at any time for any reason without prior notice to Agent.

3.5 Disclosure. All compensation payable to Agent under this Agreement is subject to disclosure or reporting by NSIC to any government or regulatory agency or to any third party, including any Customer or prospective Customer of NSIC. NSIC will determine, in its sole discretion, the party or parties to which it will disclose any such compensation, the frequency with which it will make any such disclosures, and the amount and type of compensation required to be disclosed. Agent agrees to disclose any compensation that Agent receives under this Agreement as required by applicable law. In addition, Agent shall notify NSIC, as outlined in Section 7.6 of this Agreement, if Agent receives any compensation directly from an actual or prospective Customer that is a Governmental Entity. Such notice shall include the name of such Customer, a description of the services provided to such Customer, and the amount of compensation received.

3.6 Adjustments.

- (a) Each party agrees to promptly notify the other upon becoming aware of an incorrect payment amount. Subject to subsections (b) and (c) below, Agent agrees to promptly remit to NSIC any amounts overpaid pursuant to this Agreement.
- (b) NSIC may correct an overpayment error by notifying Agent of the error and asking for repayment. At its sole discretion, NSIC may instead recover overpayments from Agent by offsetting the overpayment against future compensation and notifying Agent of the offset and the reason for it.
- (c) NSIC will not adjust any incorrect payments to Agent except for payments made within two years prior to the date of adjustment. In this regard, neither Agent nor NSIC may assert a claim against the other relating to an incorrect payment amount under the terms of this Agreement unless such claim is made (and the resulting adjustment is commenced) within two years of the date of said incorrect payment.
- (d) Notwithstanding anything in this Agreement or any compensation schedule to the contrary, NSIC will not pay any amount to Agent that exceeds a maximum prescribed by any applicable law.

3.7 No Compensation to Other Agents. NSIC will not pay compensation to any other agent, broker, or producer under the terms of this Agreement.

3.8 Taxes.

- (a) **Agent solely responsible for taxes.** Agent acknowledges that Agent is not NSIC's employee and that Agent is solely responsible for reporting and paying any tax or other cost assessed on the basis of NSIC's payment of compensation to Agent under this Agreement.
- (b) **NSIC will not withhold for taxes.** Agent acknowledges and agrees that NSIC will not withhold any amount of compensation for Agent's taxes, including but not limited to income tax; social security and Medicare tax; workers compensation taxes or costs; unemployment compensation taxes or costs; or any other tax, cost, fee, or charge related to Agent's compensation for services under this Agreement.

Section 4: Agent of Record

- 4.1 Designation of Agent of Record.** NSIC will consider Agent to be Agent of Record for every Customer Benefit NSIC sold by Agent under the terms of this Agreement unless and until a customer asks NSIC to change its Agent of Record to a different agent.
- 4.2 Change in Agent of Record.** Notwithstanding the forgoing, NSIC may, in good faith, change a Customer's Agent of Record at any time for any reason in accordance with applicable law and the following provisions are not intended to limit this right in any way.
 - (a) **Written request from Customer.** In its sole discretion, NSIC will recognize a request to change an Agent of Record only if it is in writing and is from the customer, and not from Agent or any other person. If a customer asks NSIC to change its Agent of Record, NSIC will determine the effective date of the change in its sole discretion.
 - (b) **Termination Events.** Upon occurrence of at least one of the termination events described in Sections 5.3 through 5.8 of this Agreement, NSIC will no longer recognize Agent as any Customer's Agent of Record.

Section 5: Term and Termination

- 5.1 Term.** This Agreement is effective from the Effective Date until terminated in accordance with this Section 5.
- 5.2 Termination for any Reason.** NSIC or Agent may terminate this Agreement at any time, for any reason, by providing written notice of termination to the other party sixty (60) or more days before the effective date of termination.
- 5.3 Termination for Loss of License.** If, at any time during the term of this Agreement, Agent does not have, or fails to maintain, a license required to perform services or receive

compensation under this Agreement (including if Agent's license is revoked by a licensing or regulatory agency but not including a temporary suspension of Agent's license), it shall be considered a material breach of this Agreement by Agent and this Agreement shall be terminated effective as of the date that Agent first lost, or failed to maintain, the license without regard to when NSIC learns of the loss of, or failure to maintain, the license or when NSIC notifies Agent that this Agreement has been terminated. NSIC may recover any compensation paid to Agent after Agent loses or fails to maintain any such license.

- 5.4 Termination Upon Cessation of Agent's Business.** This Agreement shall terminate automatically upon Agent's death, dissolution, receivership, insolvency, or bankruptcy.
- 5.5 Termination for Agent's Breach.** If Agent breaches a material term of this Agreement (including, but not limited to, Sections 2.1(d) (marketing materials), 2.2 (licenses), 2.8 (authority), 2.10 (privacy), 2.11 (insurance)) and does not cure said breach within 15 business days of notice from NSIC, NSIC may terminate this Agreement immediately by notifying Agent in writing of the effective date of termination. The effective date of termination pursuant to this Section 5.5 may be the date of the breach, or any later date that NSIC specifies in the notice of termination.
- 5.6 Termination for Disciplinary Action.** If a licensing or regulatory agency subjects Agent to any disciplinary sanction (for example, a reprimand or temporary suspension of Agent's license), NSIC may terminate the Agreement by providing written notice to Agent effective upon receipt of the notice, or any later date that NSIC specifies in the notice. No compensation will be payable to Agent for services rendered during any period in which Agent's license is temporarily suspended. NSIC may recover any compensation paid to Agent during any period in which Agent's license is temporarily suspended.
- 5.7 Termination for Fraud.** If Agent engages in, or knowingly assists another to commit, fraudulent or dishonest activity in connection with the solicitation, enrollment, or renewal of any Customer, this Agreement shall terminate effective as of the date on which Agent engaged in or assisted with such activity without regard to when NSIC learns of the fraudulent or dishonest activity or when NSIC notifies Agent that this Agreement has been terminated. NSIC may recover any compensation paid to Agent after Agent engaged in, or knowingly assisted another to commit, the fraudulent or dishonest act without regard to when Agent actually earned such compensation.
- 5.8 Termination based on Acquisition or Merger.** NSIC may terminate this Agreement in the event that (a) Agent merges with, or is acquired by, a competitor of NSIC; or (b) a competitor of NSIC acquires substantially all of the assets of Agent.
- (a) Competitor defined.** A competitor of NSIC for purposes of this provision includes any entity (including any such entity's affiliates) that, in the ordinary course of its business, is in direct or indirect competition with NSIC.

- (b) **Notice.** Agent must provide at least sixty (60) days prior notice to NSIC of the closing date of any transaction described in this Section. Upon request, and subject to any applicable confidentiality restrictions or obligations, Agent must provide NSIC any and all information about the transaction that Company reasonably requests.
- (c) **Procedure.** Upon receipt of such notice from Agent, NSIC may terminate this Agreement, in whole or in part, immediately by providing written notice to Agent. If the Agreement is not terminated in its entirety, NSIC must specify in its termination notice the portions hereof that shall be terminated in accordance with this Section.

5.9 Effect of Termination.

- (a) **No solicitation permitted.** Agent may not solicit or sell Benefit Plans to Customers after this Agreement has been terminated.
- (b) **Compensation.** If this Agreement is terminated pursuant to Section 5.2 above, NSIC will continue to pay Agent compensation for Customers previously enrolled by Agent as long as the Customer has an in-force Benefit Plan with NSIC, Agent is the Customer's Agent of Record and continues to service the Customer, and Agent is legally eligible to receive compensation in NSIC's sole discretion.
- (c) **Material breach.** Upon termination of this Agreement pursuant to Section 5.3 (loss of license), 5.4 (Agent's death or dissolution), 5.5 (material breach), 5.6 (disciplinary action), or 5.7 (fraudulent activity), Agent will no longer be entitled to compensation under this Agreement unless determined otherwise at the sole discretion of NSIC and NSIC shall cease paying such compensation to Agent or any other person under the terms of this Agreement.

5.10 Termination of Appointment or Authority to Sell. NSIC may terminate Agent's appointment(s) or authority to sell NSIC's products at any time for any reason without terminating this Agreement in its entirety. NSIC may, in its sole discretion, continue to pay Agent compensation under the terms of this Agreement if Agent is legally eligible to receive compensation.

5.11 Survival. The following provisions shall survive termination of this Agreement: Sections 2.7; 2.9(b); 2.10; 2.11; 3 and 4 (in their entirety); 5.3, 5.6 and 5.7 (regarding recovery of compensation paid to Agent); 5.9; 6.1; and 7 (in its entirety).

Section 6: Dispute Resolution

6.1 Good Faith Negotiation Required. NSIC and Agent agree to work together in good faith to resolve any disputes arising under this Agreement. If after at least ninety (90) days following the date one party sent written notice of the dispute to the other party the dispute is not resolved, any party may pursue resolution of the dispute by other means.

Section 7: Miscellaneous and Administrative

- 7.1 Agreement is Confidential.** Agent agrees not to disclose this Agreement, or any term of it, to any third party without the prior written consent of NSIC, except as required by law. This section does not prohibit Agent from disclosing the compensation that Agent receives from NSIC to actual or prospective Customers.
- 7.2 Relationship of the Parties.** Agent is an independent contractor and is not NSIC's employee. This Agreement does not create any other relationship between the parties, including joint venture.
- 7.3 Compliance with Law.** The parties agree to comply with applicable laws and regulations while performing their obligations under this Agreement, regardless of whether such laws or regulations are specifically referred to in this Agreement. Agent acknowledges that NSIC and its affiliates may have government contracts under which NSIC must require its contractors to comply with certain laws that would not otherwise apply. Agent agrees to comply with these laws.
- 7.4 Amendment.** This Agreement, including any Addendums attached hereto, may be amended only as provided in this Section 7.4.
- (a) **How NSIC may amend.** NSIC may amend this Agreement by providing written notice of the amendment and its effective date to Agent thirty (30) or more days before the proposed effective date of such amendment (unless the amendment is a regulatory amendment under (2)(B) of this Section).
- (1) **Form of notice.** NSIC may notify Agent of proposed amendments by correspondence addressed directly to Agent, or by conspicuous notice in a publication (including but not limited to a newsletter or web site) to which Agent has general access.
- (2) **Effective date.**
- (A) **Non-regulatory amendment.** A proposed amendment will become automatically effective without Agent's written agreement unless Agent notifies NSIC that Agent is terminating this Agreement before the effective date of the amendment.
- (B) **Regulatory amendment.** If NSIC proposes an amendment to bring it or Agent into compliance with an applicable law or regulation (including an interpretation of law by a regulatory agency or court), the amendment is effective immediately upon notice to Agent, or upon any other date specified by NSIC in the notice.

- (b) **Other amendments.** Any other amendment must be in writing, signed by both parties, and must specify the effective date of the amendment.

7.5 Assignment.

- (a) **NSIC may assign.** NSIC may assign all or any of its rights and responsibilities under this Agreement to any entity controlling, controlled by, or under common control with NSIC.
- (b) **Administrative Service Providers.** NSIC may use administrative service providers. Agent acknowledges and agrees that persons and entities under contract with NSIC may perform certain of NSIC’s administrative services under this Agreement.
- (c) **Agent may assign only with NSIC’s consent.** Agent may not assign any of its rights, responsibilities, or compensation payable under this Agreement to any person or entity without the written consent of NSIC.

7.6 Notices. The parties agree that any written notice required or permitted by this Agreement (except when NSIC provides notice of proposed amendments by publication) is effective if addressed to the other party at the address listed below.

<p><u>Notices to NSIC</u> Attn: Craig Hauben Address: 145 Community Drive City, State ZIP: Great Neck, NY 11021 E-mail: chauben@nshs.edu Fax: 516.465.8002</p>	<p><u>Notices to Agent</u> Attn: _____ Address: _____ City, State ZIP: _____ E-mail: _____ Fax: _____</p>
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- (a) **Update addresses.** Agent will promptly notify NSIC in writing of any change in address. This notice will be deemed to have been properly provided if addressed to the last known address of NSIC. For purposes of this Section 7.6, “address” includes an electronic mail (“e-mail”) address.
- (b) **When notice deemed received.** Notice sent by mail will be deemed to have been received five (5) business days after mailing by first-class, postage pre-paid United States mail. Notice sent by any other means will be deemed to have been received when actually received by the receiving party. If notice is served by facsimile or e-mail, notice will be presumed to have been received 24 hours after being sent, unless the receiving party rebuts this presumption with contrary proof.

7.7 Entire Agreement. This Agreement (including any compensation schedules or Addendums that are attached hereto or incorporated into this Agreement by reference) constitutes the entire agreement between NSIC and Agent and supersedes any prior agreement, oral or written, between the parties concerning the subject matter of this Agreement.

- 7.8 No Waiver.** This Agreement may be amended or modified, and any of the terms or conditions hereof may be waived, only in the manner set forth above. Any waiver by any party of any condition, or of the breach of any provision or term contained in this Agreement, in any one or more instances, shall not be deemed to be nor construed as a further or continuing waiver of any such condition, or of the breach of any other provision or term of this Agreement.

- 7.9 Severability.** If any provision of this Agreement is held invalid for any reason, the validity of the remainder of the Agreement will not be affected.

- 7.10 Headings.** Bold-faced headings are intended as reference guides only and are not to be considered part of the Agreement.

- 7.11 Signatory authority.** NSIC and Agent each represent and warrant that the person signing this Agreement has the authority to do so and is acting within the scope of his or her authority.

The parties hereby agree on the terms and conditions of this Agreement. In addition, each party hereby certifies that it has not modified, changed or altered, in any way, any provision of this Agreement prior to the execution hereof.

For NSIC :

For Agent or Agency:

Signature

Printed Name

Title

Date

Signature

Printed Name

SSN/TIN

Title

Date