



**CareScout Insurance Company**

Administrative Office:  
3100 Albert Lankford Drive  
Lynchburg, VA 24501

**PRODUCER AGREEMENT**

This Producer Agreement and any schedules and addenda hereto, including the Multipurpose Confidentiality Addendum and Producer Conduct Rule (collectively, this "**Agreement**") is made by and between CareScout Insurance Company ("**Company**," "**Us**" or "**Our**") and the above-named Producer ("**Producer**," "**You**" or "**Your**"), effective as of the later date shown on the signature page of this Agreement ("**Effective Date**"). You and the Company are each a "**Party**" and shall be referred to collectively as the "**Parties**."

**\*\*Your signature on the Producer Information and Appointment Form (PIF) constitutes Your signature on this Agreement.\*\***

**WITNESSETH:**

In consideration of the provisions set forth below, the Parties hereby agree to the following:

**SECTION I – DEFINITIONS**

1. When used in this Agreement, the terms listed below have the following meanings:
  - a. "**Action**" means any civil, criminal, administrative or other claim, action, suit, litigation, arbitration hearing, charge, complaint, demand, notice or other similar proceeding, in each case by or before any Governmental Body or arbitral body.
  - b. "**Affiliate**" of a Person means any other Person that, directly or indirectly, through one or more intermediaries, Controls, is Controlled by, or is under common Control with such Person.
  - c. "**Agent**" means any insurance producer, agent, sales organization, or other insurance intermediary holding Permits.
  - d. "**Applicable Law**" means any federal, state, local, or foreign law, statute, regulation, rule, code, or ordinance that is enacted, adopted, promulgated, or issued by any legislature, court, agency, or other Governmental Body or any Government Order, in each case, to the extent applicable to or binding upon a Party.
  - e. "**Applications**" has the meaning given in Section II.1.a.
  - f. "**Broker General Agent**" or "**BGA**" means a Person contracted with Us as a broker general agent and through whom You submit business to Us. Broker General Agents include one or more of the following: brokerage general agents, producer marketing groups, independent marketing organizations, and similar Persons.

- g. **"Client"** has the meaning given in Section II.4.
- h. **"Company Policies and Procedures"** has the meaning given in Section II.1.c.
- i. **"Compensation"** has the meaning given in Section IV.1.
- j. **"Complaint"** has the meaning given in Section II.2.h.
- k. **"Confidential Information"** has the meaning given in the Multipurpose Confidentiality Addendum.
- l. **"Consumer Information"** has the meaning given in the Multipurpose Confidentiality Addendum.
- m. **"Control"** shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.
- n. **"Government Order"** shall mean any order, writ, judgment, injunction, decree, stipulation, determination, or award entered into, by or with any Governmental Body.
- o. **"Governmental Body"** shall mean any federal, state, local, or foreign government or political subdivision thereof, or any agency or instrumentality of such government or political subdivision, or any self-regulated organization or other non-governmental regulatory authority or quasi-governmental authority (to the extent that the rules, regulations or orders of such organization or authority have the force of Applicable Law), or any arbitrator, court, or tribunal of competent jurisdiction.
- p. **"Intellectual Property"** means all intellectual property and proprietary rights, including patents (or applications in respect thereof), trademarks, service marks, trade dress, logos, icons, designs, emblems, slogans, signs, insignias, internet domain names, software, copyrightable works or other works of authorship, copyrights, moral rights, rights of attribution and integrity, trade secrets, scientific, technical, economic, insurance underwriting methodology or engineering information or know-how (including algorithms, apparatuses, patterns and patents, plans, compilations, program devices, formulae, designs, prototypes, methods, techniques, processes, inventions, procedures, programs or codes), and all other intellectual property of any kind in any jurisdiction, together with all registrations and applications for registration for any of the foregoing, all reissues, divisionals, continuations, continuations in part, renewals, extensions and reexaminations of any of the foregoing and all rights in or to any of the foregoing provided by Applicable Law.
- q. **"Multipurpose Confidentiality Addendum"** means that certain addendum entitled Multipurpose Confidentiality Addendum and Producer Conduct Rule attached hereto and made a part hereof that governs the conduct of the Parties in connection with Confidential Information and Consumer Information.
- r. **"Permits"** shall mean any and all licenses, permits, orders from a Governmental Body, approvals, consents, registrations, memberships, authorizations, or qualifications under any Applicable Law or with any Governmental Body or under any industry or non-governmental self-regulatory organization that are required to sell, solicit, or negotiate insurance or otherwise perform the services described herein.
- s. **"Person"** means an individual, a partnership, a limited partnership, a corporation, an association, a limited liability company, a joint stock company, a trust, a joint venture, an unincorporated organization, or a Governmental Body.

- t. **"Producer Personnel"** means Your employees or any independent contractors who provide administrative assistance to You in the performance of Your services provided hereunder.
- u. **"Products"** has the meaning given in Section II.1.a.
- v. **"Records and Materials"** means all records, files, manuals, policy, application and other forms, literature, training materials, marketing materials, or seminar materials that the Company or an Affiliate furnishes to You for use or created by You, in connection with Your performance under this Agreement or with the Products.
- w. **"Subagents"** shall mean Agents acting on Your behalf, and, to the extent required by Applicable Law, appointed by the Company at Your recommendation and assigned to Your hierarchy by Us.
- x. **"Territory"** shall mean those states, territories, and possessions of the United States of America in which (i) the Company is authorized to conduct business and to issue the Products and (ii) You and Your Subagents have Permits to sell such Products.
- y. **"Third-Party Claim"** shall mean any claim, Action, Government Order, suit, or proceeding made or brought by any Person that is not a Party and not an Affiliate of such Party.
- z. **"Training Requirements"** means training that Applicable Laws, Company Policies and Procedures, or Governmental Bodies require before You and Your Subagents may sell, solicit, or negotiate Products, or provide services on Our behalf.

## SECTION II – APPOINTMENT AND AUTHORITY

1. On and subject to the terms and conditions of this Agreement, the Company hereby appoints and authorizes You as follows:
  - a. To solicit, procure, and transmit applications for certain insurance products (**"Applications"**) as and where made available for sale by the Company in the Territory from time to time (**"Products"**) on a non-exclusive basis. The Company makes no commitment that all policies or products offered by the Company will be deemed authorized Products hereunder, and the Company reserves the right to contract with other Agents and Broker General Agents to solicit such Products. All Applications that You or Your Subagents submit for Products are subject to acceptance or rejection by the Company in its sole discretion. You shall not submit Applications to Us unless the writing Agent has all Permits and appointments required by Applicable Law and has completed all Training Requirements.
  - b. To the extent permitted by the Company Policies and Procedures, to collect, receive, report and remit any initial premium payments that You receive originating from Applications that You obtain or for Products produced by You and Your Subagents, but only through checks payable to the Company or by electronic fund transfers. All premiums collected by You and Your Subagents shall be the property of the Company, held by You in a fiduciary capacity, and remitted immediately to the Company's designated office. You shall inform the payer and writing Subagent that all future premium payments should be made directly to Us.
  - c. To recruit, train, supervise, service and support Your Producer Personnel and Subagents at Your own expense and in accordance with Company rules, policies, guidelines, bulletins, procedures and standards communicated to You by Company or Your BGA, including the Multipurpose Confidentiality Addendum, as may be modified from time to time by the Company in its sole discretion (collectively, the **"Company Policies and Procedures"**). You

shall promptly provide a copy of the Company Policies and Procedures, including any amendments thereto, to such Producer Personnel and Subagents.

2. In accepting this authority, You agree:

- a. To obtain and maintain all Permits in full force and effect for the services provided hereunder as required by Applicable Law or by the Company.
- b. To ensure that all of Your Subagents also hold and maintain Permits in each jurisdiction within the Territory in which they solicit Applications for the Products. Upon Our request, You shall provide written proof of all such Permits for You and Your Subagents.
- c. To ensure that sales, marketing, and other activities involving the Company or any of the Products that are conducted by You and Your Subagents, including any Products sold through a financial institution, comply with Applicable Law, this Agreement, and the Company Policies and Procedures, including any trademark or branding guidelines.
- d. To undertake Your obligations under this Agreement utilizing the degree of skill, care, diligence, prudence, timeliness, efficiency and foresight of an experienced, professionally managed insurance intermediary fulfilling obligations and performing services. Without prejudice to the generality of the foregoing, You shall, and shall use best efforts to cause Your Subagents to:
  - i. Fully explain the terms of any Product, make no untrue or misleading statements with respect to any Product, and state all relevant facts with respect thereto; and
  - ii. Ensure that Applications are accurately completed, fully disclosing to the Company all material facts, and are signed in the presence of one of Your authorized representatives or by other means approved by the Company in writing. Producer and its Subagents are solely responsible for the selection and placement of the appropriate types of insurance, limits, coverage options, terms and conditions on behalf of its Clients.
- e. To maintain and safeguard accurate and complete books, records, accounts, correspondence or other data (including Confidential Information and Consumer Information) relating to the transactions pertaining to this Agreement in accordance with Applicable Law, this Agreement, and the Company Policies and Procedures, but in no event for less than seven (7) years after each policy issued pursuant to this Agreement is no longer in force; provided, that Producer and its Producer Personnel and Subagents must continue to maintain and safeguard any Consumer Information in its possession until such information is returned to the Company, deleted, or destroyed. The Company will have access to all documents and records during such period and You shall, and shall use best efforts to cause Your Subagents to, provide Us with a copy of any record requested by the Company within seven (7) calendar days of such a request.
- f. To pay any indebtedness and/or debit balance (including Compensation paid on premiums that are refunded or not otherwise payable to You and/or advances) owed by You to the Company when due, and any indebtedness and/or debit balance(s) of any of Your Subagents remaining after completion of any debt collection the Company may undertake against You and/or Your Subagents. You grant the Company a first priority security interest in all Compensation payable to You by the Company and also by any of the Company's Affiliates to the extent of any indebtedness or other obligation of Yours or any of Your Subagents to the Company and any of its Affiliates, and the Company and its Affiliates shall have the right

of set-off against any such Compensation or any other monies payable or owed to You. Any amount not fully paid within thirty (30) calendar days of demand will bear interest at the rate equal to one-hundred and fifty percent (150%) of the U.S. Prime Rate published by The Wall Street Journal (or successor reference rate), compounded on a daily basis. The right of set-off described in this Section shall also apply to any Compensation payable to You after termination of this Agreement with or without cause.

- g. To the extent permitted by Company Policies and Procedures, to promptly deliver premium receipts or temporary insurance agreements approved by the Company for Products issued on Applications obtained by You or Your Subagents, but in no event later than two (2) business days after issuance, when the applicant appears to be in insurable condition as stated on the Application and the initial premium (if required) has been duly paid.
- h. To cooperate at all times with the Company or any of its representatives in any regulatory inquiry, proceeding, or Complaint as it may relate to the business of the Company, including, but not limited to, any within the context of an administrative, regulatory, or judicial proceeding, including immediately notifying the Company upon receipt of any Complaint. For these purposes, "**Complaint**" is defined as any communication, written or oral, that primarily expresses a grievance relating to You, Your Producer Personnel, Your Subagents, the Company, any Product, Policy, or Application.
- i. To promptly notify Us in the event of any of the following: (i) You or any of Your Producer Personnel or Subagents are the subject of or otherwise become aware of any regulatory query, inquiry or investigation related to any of the Products or the solicitation or sale of any of the Products, (ii) You or any of Your Producer Personnel or Subagents become the subject of a Complaint related to the solicitation or sale of any of the Products, (iii) any Permit of Yours or of any of Your Subagents to solicit and sell the Products expires, is suspended or is revoked in any jurisdiction in which such Products are sold by You or such Subagents, or (iv) You or any of Your Subagents are fined, censured, or otherwise are subject to an action involving Your or their Permits to sell and solicit insurance.
- j. To be responsible for and pay all expenses and fees You and Producer Personnel incur while carrying out the terms of this Agreement including any and all taxes on any Compensation received by You in accordance with this Section IV hereof
- k. To be responsible to the Company for all business produced by You and Your Subagents and for the acts of Your Producer Personnel and Subagents. You further agree and acknowledge that You are responsible to the Company for: (i) all money received by Your Producer Personnel or Subagents on behalf of the Company; (ii) any and all indebtedness of any of Your Subagents to the Company; and (iii) reimbursement of the Company for all costs and expenses incurred in collecting such debt.
- l. To deliver to the Company evidence of any claim for benefits under the Products immediately upon receipt.
- m. To answer policyholder questions directed to You or Your Subagents about the Products and their insurance needs, and to transmit to Us any correspondence directed to Us that You or Your Subagents receive from policyholders, including signed forms relating to the administration and servicing of a policyholder's policy.

- n. To provide the Company advance written notice of no less than thirty (30) days of all changes in Your direct or indirect management or ownership. The Company reserves the right to terminate this Agreement if it does not approve of the change in management or ownership.
3. Your right, power, or authority on the Company's behalf shall exist only as expressly stated in this Agreement. No right, power, or authority shall be implied either from the grant or denial of powers specifically mentioned herein or the failure to mention any right or power herein. Without limiting the foregoing general restriction on Your authority, You understand and agree that You and Your Producer Personnel and Subagents have no authority to:
- a. Alter, waive, discharge or change any policy of insurance, or any provision thereof, including any provisions relating to payment of premiums or forfeitures;
  - b. Attempt to administer claims or otherwise engage in any third party administrator activities with regard to the Products;
  - c. Incur any liability, indebtedness or expense on behalf of the Company;
  - d. Endorse any checks payable to the Company;
  - e. Extend the time for the payment of premium or other monies due to the Company under any Product;
  - f. Quote rates other than as provided by the Company;
  - g. Accept payment for any Product in cash, except as may be otherwise authorized by this Agreement, or by the Company in writing, from time to time;
  - h. Offer or give, in connection with the sale, solicitation or negotiation of Products or at any other time, any rebate of premiums or any other valuable inducement not specified in a Product, except as may be expressly allowed by the Company and in compliance with Applicable Law and except as expressly meets de minimis value exceptions in Applicable Law;
  - i. Divulge or disclose the names of the Company's policyholders and accounts to any other Person unless expressly permitted to do so in writing in advance by the Company;
  - j. Create or distribute any literature, promotional materials, or sales aids without the Company's prior written consent in each instance;
  - k. Make any representations that are misleading or that contain misrepresentations about any Product(s) or that mischaracterize the relationship between You and the Company;
  - l. Make any public or written reference to the Company or a Product without the Company's prior written consent in each instance, except as specifically permitted by this Agreement;
  - m. Engage in any systematic effort to induce the replacement, non-renewal or cancellation of Products covered under this Agreement, directly or indirectly, or to encourage any of Your Subagents or other persons to do so, either during or after termination of this Agreement. Nothing in this subsection shall prevent You or Your Subagents from recommending the replacement of a Product after conducting a one-on-one meeting with any Person for the

purpose of assessing that applicant's financial position and needs to determine whether they are best met by continuing an existing Product or another alternative.

- n. Induce, promote or encourage any policyholders to surrender, lapse or forfeit any Product sold pursuant to this Agreement except to replace it with another Product of the Company in accordance with the Company's underwriting guidelines, except in the event the Company does not offer a suitable replacement based on Your evaluation of the policyholders' financial situation, insurance needs and financial objectives; and
  - o. Take any action that could reasonably be construed to be defamatory, libelous, or materially prejudicial to the Company.
4. At any time, You or Your Subagents may request to be removed as the agent or agency of record from any specific Product(s) You sold by providing the Company a copy of Your notification of such removal to the purchaser of such Product ("**Client**"). Upon receipt, the Company will revise its records to reflect the change. In the event You are unsuccessful in notifying the Client, You or Your Subagent, as applicable, must provide an affirmation that You have made good faith attempts to contact the Client or Client's legal representative with respect to Your or any of Your Subagents' removal as the agent or agency of record and were unsuccessful in doing so. Upon implementing such change requested by You or Your Subagent, all of Yours and Your respective Subagent's rights or interest in any Compensation related to such Product shall cease. All changes implemented by the Company at Your request are permanent and irrevocable.
5. The Company may, in its sole and exclusive discretion:
- a. Modify or amend any Product, including the premium rates charged and the benefits provided therein;
  - b. Set maximum and minimum limits on the amount for which any insurance contract may be issued under any Product;
  - c. Modify the conditions under which any Product may be sold;
  - d. Discontinue or withdraw any Product from Your state(s) of operation;
  - e. Provide Clients with options to reduce their benefits and/or premiums, including nonforfeiture options providing limited coverage and no further premiums due and/or options to reduce both coverage and premium;
  - f. Cease doing business in Your state(s) of operation;
  - g. Contact a Client for the purpose of offering or providing products and/or services (including "wellness" or other "value-added" services/products) related to the Product(s) they purchased, which may include products and/or services made available through an Affiliate or a third party;
  - h. Establish rules governing Compensation to be paid on any Product which has been reinstated, converted or has replaced an existing Product;
  - i. Determine the amount of Compensation to be paid on insurance contracts not described within this Agreement; and

- j. Make changes for rejected, undelivered, or reissued Products.

### **SECTION III – INDEPENDENT CONTRACTOR**

1. You are an independent contractor with respect to the Company and not an employee, for all purposes including but not limited to state or federal income tax, Social Security, worker's compensation and unemployment compensation. Nothing in this Agreement shall be interpreted as creating an employer/employee, partner or joint venture relationship between You and the Company. You agree to accept any responsibilities placed on an independent contractor by Applicable Law.
2. Notwithstanding operating within all applicable rules and regulations issued by a Governmental Body, You are free to exercise independent judgment as to the time and manner in which You perform the services authorized to be performed under this Agreement, subject to the Companies Policies and Procedures, which rules You will conform to and observe. You decide whom to choose as business prospects.

### **SECTION IV – COMPENSATION**

1. The Company or its duly authorized representative will pay commissions ("**Compensation**") to Your BGA, to You, or to both You and Your BGA as directed by writing by Your BGA and in accordance with this Agreement and any amendment(s) thereto. If Your BGA directs the Company to pay Compensation to a Person other than You, You hereby release the Company from all obligations for payment of Compensation to You. If You are not assigned to a Broker General Agent, the Company will pay Compensation to You.
  - a. If You are a natural person, any Compensation due and payable to You at the time of Your death or thereafter under this Agreement shall be paid to the beneficiary or beneficiaries that You have designated in writing as of the date of Your death or, in the absence of such designation, to the executor or administrator of Your estate or to any validly established trust. Each such designation will revoke all prior designations, shall be written in a form prescribed by the Company and will be effective only when received by the Company during Your lifetime.
  - b. This is a conditionally vested Agreement subject to the following:
    - i. If this Agreement terminates for Cause (as defined below) or is deemed (pursuant to Section IX.2) to terminate for Cause, any Compensation due or payable on or after the date of termination shall be forfeited at the Company's sole option.
    - ii. If this Agreement terminates because of Your dissolution, insolvency or bankruptcy, no Compensation shall be payable hereunder on or after the date of dissolution, insolvency or bankruptcy unless the prior consent of the Company has first been obtained, which consent shall not be unreasonably withheld.
    - iii. If a Client requests that You or Your Subagent be removed as agency/agent of record, no Compensation due or payable to You or Your Subagent hereunder with respect to such Client's Product(s) shall be payable on or after the effective date of removal.
2. The Company shall pay all Compensation earned by Your Subagents either directly to the Subagents, or indirectly pay such Compensation to You, as You and the Company shall mutually agree. In the event the Company and You agree that such Compensation is to be paid by You, You are hereby authorized to pay all Compensation earned by Your Subagents directly. In such event, You shall become responsible for and shall undertake and accept full responsibility and



liability for prompt and full payment of all such Compensation, keeping appropriate commission accounting records, and sending commission reports to such Subagents.

3. By acceptance of any Compensation payable hereunder, You agree to be responsible for repayment to the Company, by chargeback or direct payment, any Compensation paid to You or Your Subagents when Your or such Subagent's compensation account reflects a debit balance due the Company and You or Your Subagent has failed or refused to repay the Compensation to the Company pursuant to the applicable agreement with the Company. The Company has the right to deduct or set off such amounts from any Compensation due to You.
4. Any Compensation to which You and Your Subagents may be entitled hereunder shall be payable to You and Your Subagents only after the due date of the premium on which it is based and after receipt of the gross premium by the Company at its designated office. No Compensation will be payable on account of: (i) waived premiums or premiums refunded for any reason, (ii) the increased portion of a Client's premium due to the Company's rate action(s), (iii) on Products for which You and/or Your Subagents have requested to be removed as agent/agency of record and which request Company has implemented pursuant to Section II.4), or (iv) on Products for which a Client requested that You and/or Your Subagent be removed as agent/agency of record. Any Compensation received on account of any such premiums shall be promptly returned in full to the Company by You and Your Subagents and shall constitute an indebtedness to the Company until returned.
5. We may set, in Company Policies and Procedures, a minimum threshold that We will pay for a certain period. For example, We may set a threshold of \$250, or another amount We choose. If Your Compensation is less than such threshold amount, We may hold Your Compensation, without interest, until the next regularly scheduled payment date when the amount of Compensation then due to You is more than the threshold amount.
6. If any of the events listed below should occur while this Agreement remains in full force and effect or thereafter, the Company may withhold any Compensation that You would otherwise have been entitled to receive or may have become entitled to receive under this Agreement (including that portion onward owed by You to Your Subagents):
  - a. Your suspension or that of any of Your Subagents while the Company investigates whether Cause for terminating this Agreement exists;
  - b. Your or any of Your Subagent's encouragement of any Person, directly or indirectly, to terminate a producer agreement with the Company or an Affiliate, without the prior consent of the Company;
  - c. Your or any of Your Subagent's disclosure or use of any trade secret, other proprietary information, Confidential Information of the Company or an Affiliate in competition with or in a manner adverse to the interests of the Company or an Affiliate; or
  - d. Your or any of Your Subagent's disclosure or use of any Consumer Information or Confidential Information in violation of this Agreement, including the Multipurpose Confidentiality Addendum, or Applicable Law.

Such withholding may continue until the violation has been corrected or the situation has been resolved to the satisfaction of the Company. No interest shall be payable on any amounts withheld hereunder. If You or any of Your Subagents are found by the Company in its sole discretion to be guilty of any such wrongdoing, the Company may retain, or charge You for, the following, as damages: the amount of its loss plus expenses it incurred in connection with the loss, including costs of investigation. In addition to other appropriate legal remedies, the Company has the right to apply any Compensation payable to You by the Company against any

debt You owe the Company or an Affiliate. You hereby grant the Company a first security interest in any and all such Compensation.

7. The Company may recover any amounts advanced to You or any amounts paid on Your behalf by the Company or an Affiliate, or any amounts charged to You under this Agreement, from any Compensation due to You hereunder but not yet paid. Upon termination of this Agreement, You must promptly pay, on demand, any debt You owe the Company, including any chargebacks payable and remaining due to the Company. Repayment is required even for chargebacks made on or after termination of this Agreement.
8. Except for clerical errors and/or other errors resulting from Your or any of Your Subagent's failure to disclose material facts to the Company, the commission statements the Company issues to You shall be deemed to be an accurate and complete record accepted by and satisfactory to You of (i) all the Compensation the Company owes You, and (ii) all commission accounts between You and the Company purporting to be covered by that statement. Acceptance by You of these commission statements constitutes full satisfaction and agreement by You as to the amounts and accounts referred to above. Questions or discrepancies must be brought to the attention of the Company, in writing, within sixty (60) days from the date of the commission statement. If the question or discrepancy is not resolved to Your satisfaction, You have six (6) months from the date of the commission statement to object and request a formal review by the Company, otherwise the information on the commission statement will be deemed accepted.
9. We may require that You and any assignee accept payment by electronic funds transfer or by another method. If we make a payment to You by an electronic method (including electronic funds transfer or other virtual payment types), You authorize the Company to deposit (credit) payments to Your account. You authorize the Company to charge (debit) Your account for payments deposited in error and for amounts You owe the Company.

## **SECTION V – RECORDS AND MATERIALS**

1. With respect to the Records and Materials, You agree that:
  - a. All Records and Materials furnished to You and/or any of Your Subagents by the Company or created by You and/or any of Your Subagents in the performance of Your services or those of any of Your Subagents under this Agreement are the property of the Company or an Affiliate. Except to the extent required for back-up or disaster recovery purposes, You agree that You will not, and shall cause Your Producer Personnel and Your Subagents not to, (i) reproduce or use, (ii) allow the reproduction, distribution or use of, (iii) update or make modifications to, or (iv) transfer, rent, license or sell the Records and Materials in any manner whatsoever, except pursuant to Company Policies and Procedures or with the prior written consent of the Company. You shall, and shall cause Your Producer Personnel and Subagents to, only use Records and Materials furnished to You by the Company for purposes of providing Your services under this Agreement.
  - b. You and your respective Subagents may publish or distribute Records and Materials created by the Company that are marked for use with consumers without the prior written consent of the Company; provided, that the Company may require changes to Records and Materials at any time upon notice to You. You shall not, and shall not permit Producer Personnel or Subagents to, publish, distribute or circulate advertising of any kind with reference to the Company or its Affiliates that has not been provided by Company or Your Broker General Agent.

- c. All Records and Materials provided to consumers by You and any of your respective Subagents shall indicate appropriate information in accordance with Applicable Law regarding (i) Your status as a licensed insurance agent/agency with respect to the Products, and (ii) the role of the Company as the issuer of the Products.
- d. You are responsible for the safekeeping of Records and Materials, which shall be open for audit and inspection by the Company at any time during Your normal business hours. Upon termination of this Agreement, all Records and Materials remain the Company's property and must be returned to the Company immediately, or, with the consent of the Company, securely destroyed unless You are required by Applicable Law to maintain copies of such Records and Materials in Your files for a minimum period of time, which time period has not passed.
- e. You will abide by the terms and provisions of the Multipurpose Confidentiality Addendum attached to this Agreement and incorporated herein by this reference. The Company may amend the Multipurpose Confidentiality Addendum from time to time at its sole discretion, with such amended version to be considered attached to this Agreement and incorporated herein by reference upon the Company's delivery of such amended version to You.

## **SECTION VI – INTELLECTUAL PROPERTY**

As between the Parties, the Company shall be and remain the sole and exclusive owner of: (i) all Intellectual Property owned or licensed by the Company or its Affiliates as of or after the Effective Date, including all Intellectual Property embodied in any Records or Materials furnished to You by the Company and (ii) all enhancements, modifications, amendments, updates and derivative works to or of such Intellectual Property, Records and Materials. The Company does not license or grant any right in any Intellectual Property to You hereunder.

## **SECTION VII – RIGHTS OF INSPECTION; AUDIT**

At any time while this Agreement is in effect, and for a period of seven (7) years following expiration or termination hereof, the Company may, at its option: (i) review and audit Your processes, practices, books and records generated by You, Your Producer Personnel and/or Your Subagents and (ii) review and audit Your records that pertain to Your internal controls that are reasonably related to Your obligations under this Agreement, including Your and Your Subagent's sales and marketing business practices, which may include onsite audits.

## **SECTION VIII – INSURANCE COVERAGE**

You hereby agree to maintain errors and omissions insurance covering acts, errors, omissions, breach of security or privacy, including notification expenses, and machine malfunctions arising out of Your operations or services with a minimum in coverage for any one act or occurrence of one million dollars (USD \$1,000,000) per claim and in the annual aggregate, issued by an insurance carrier rated either B++ or better by A.M. Best or A or higher by Demotech, during the term of this Agreement and during any period thereafter for which You are providing services or receiving Compensation under this Agreement and in no event for less than seven (7) years after termination of this Agreement. Proof of such insurance coverage shall be furnished to us upon our request, and you agree to notify us immediately if for any reason Your insurance ceases to remain in effect. Your obligation to provide the insurance specified herein will not limit in any way any obligation or liability provided elsewhere in this Agreement, nor will the insurance coverage provided herein override Your indemnification obligations. Upon request, You will provide the Company with certificates of insurance evidencing compliance with this covenant prior to execution or at any time during the term of this Agreement.

## SECTION IX – TERMINATION; SUSPENSION

1. The Company has not expressly or by implication agreed to continue the term of this Agreement for any definite period of time. This Agreement may be terminated by either Party without cause by giving the other Party at least thirty (30) days' prior written notice to that effect. You hereby agree to waive any statutory termination requirements imposed on the Company by Applicable Law, and will instead be bound by the termination provisions in this Agreement.
2. The Company may terminate this Agreement immediately for Cause. For purposes of this Agreement, "**Cause**" shall include, but not be limited to, the following:
  - a. Commission of a fraudulent, dishonest or illegal act adversely affecting the Company or an Affiliate;
  - b. Withholding, converting or misappropriating any money or other property of the Company, its policyholders, or applicants;
  - c. Violation of any provision hereunder regarding Records and Materials or Intellectual Property;
  - d. You, Your Producer Personnel or Your Subagents make a material misrepresentation of fact to the Company, including misrepresentation of any fact on an Application;
  - e. You or Your Subagents do not pay, upon demand, any indebtedness or amount owed to the Company;
  - f. You, Your Producer Personnel or Your Subagents subject the Company to any liability, indebtedness or expenses without the Company's prior written consent;
  - g. You or Your Subagents fail to obtain and maintain the required insurance coverage as specified by the Company;
  - h. You or Your Subagents fail to maintain Permits required to perform the services hereunder;
  - i. You or Your Subagents have a Complaint or Government Order issued or disciplinary action taken against You or Your Subagent by a Governmental Body;
  - j. You, Your Producer Personnel or Your Subagents fail to cooperate with investigations conducted by the Company based on Complaints, inquiries, examinations or investigations by a Governmental Body, suspicions of non-compliance with this Agreement, or other similar reasons;
  - k. You or Your Subagents violate the laws, rules or regulations of any jurisdiction or any Governmental Body regulating Your activities relating to this Agreement;
  - l. You, Your Producer Personnel or Your Subagents violate any provisions of the Multipurpose Confidentiality Addendum or any other material terms or provisions of this Agreement;
  - m. You or Your Subagents engage in any effort to systematically replace the Products written with the Company by You or Your Subagents;

- n. If applicable, you fail to provide the Company advance notice of all changes in Your management or ownership, as applicable;
- o. The Company does not approve of any change in Your management or ownership;
- p. You are insolvent or bankrupt, or such or similar proceedings are instituted by or against You; and
- q. Termination of any other sales agreement You have entered with the Company or Affiliate.

The Company shall have the right to deem this Agreement to have been terminated for Cause, if, after the Agreement terminates without cause, You, Your Producer Personnel or Your Subagents, violate or attempt to violate the provisions of Section II.3.l, Section II.3.m, Section IX.2.a, Section IX.2.b, Section IX.2.c, Section IX.2.d, Section IX.2.e, Section IX.2.f, Section IX.2.j, Section IX.2.k, Section IX.2.l or Section IX.2.m of this Agreement.

- 3. If the Company believes it may have the right to terminate this Agreement for Cause, the Company can notify You that it is suspending Your authority under this Agreement. In the event the Company notifies You that it is suspending Your and/or Your Subagent's authority as a result of Your Subagent's conduct, You shall immediately suspend Your Subagent's authority under any written agreement between You and Your Subagent with respect to the business of the Company. This suspension can be imposed in place of terminating the Agreement, and the period of suspension shall continue for such period as the Company may deem appropriate for the investigation of such violation or suspected violation. Until a suspension is withdrawn, it has the same effect on Your rights to Compensation hereunder as does notice of termination for Cause. The Company will notify You whether Your suspension is to be withdrawn or this Agreement is to be terminated for Cause. If the suspension is withdrawn, all accumulated Compensation will be paid immediately and in accordance with Section IV. If the Agreement is terminated for Cause, the termination shall take effect as of the date You received the notice of suspension, and no further Compensation shall be due or payable hereunder for any reason after the date of termination for Cause. If the Company terminates its agreement with Your Subagent for cause, You shall immediately terminate any authority granted under any separate written agreement between You and Your Subagent with respect to the business of the Company.
- 4. This Agreement terminates automatically in the event:
  - a. Of Your death or incapacity, if You are a natural person;
  - b. Any Permit that You are required to maintain under the terms of this Agreement is cancelled or not renewed; or
  - c. If You are a business entity, You are dissolved or otherwise cease to exist.
- 5. If this Agreement terminates or Your authority under this Agreement is suspended by the Company pursuant to this Section IX, You agree to and hereby do release the Company from any claim for lost profits, anticipated profits or earnings hereunder, other than for Compensation already earned hereunder. You further acknowledge and agree that You have no claim for a refund or reimbursement of any funds You have advanced or expenses You have paid or incurred in connection with Your responsibilities under this Agreement, unless the Company specifically authorized a reimbursement, in writing, prior to termination of this Agreement.

## SECTION X – ELECTRONIC TRANSACTIONS

1. You hereby agree that the Company will have fulfilled its obligation to deliver to You a document, statement, notice or other communication (other than notice citing Section XII.1) if it is sent by electronic delivery. Documents sent by electronic delivery will include all information that appears in the printed hardcopy version as prepared and distributed by the originator, except graphic insertions, including photographs or logotypes, may not be included. Electronic delivery may be in the form of an email, an email attachment or an available download from a website.
2. Electronic documents are available for download when the Company provides You with notice that they are available. If You are unable to open or print a document electronically delivered to You, You shall notify the Company so the document can be delivered to You by other means. If You do not notify the Company that You are unable to accept electronic delivery of or print a document after notice is provided to You, You will be deemed to have received delivery of the document.
3. To the extent the Company permits You and/or Your Subagents to electronically submit data that is used to issue or service Products, You shall, and shall use best efforts to cause Your Subagents to, comply with the relevant terms of this Agreement and the Company Policies and Procedures.

## SECTION XI – INDEMNIFICATION

1. You will indemnify and hold the Company and any of its Affiliates and its and their officers, directors, agents and representatives (the “**Company Indemnitees**”) harmless from any and all losses, claims, costs, damages, liabilities, expenses, Actions, Third-Party Claims, including, but not limited to, reasonable attorneys’ fees, settlement payments, interest, penalties, costs, judgments and/or fines, resulting directly or indirectly from Your breach of this Agreement or arising directly or indirectly from any negligence, violation of Applicable Law, misconduct, breach of confidentiality or privacy, error or act or omission of (i) You, Your Affiliates and Your and their employees, officers, directors, and anyone acting on Your behalf, (ii) any Producer Personnel, and/or (iii) any of Your Subagents. You shall provide reasonably prompt written notice to the other Party upon receipt of notice of the commencement of any action relating to any such actual or claimed liabilities. You agree to defend the Company Indemnitees, at Your cost, in any arbitration, litigation, regulatory action or other proceeding covered by this indemnification clause. You agree that the Company shall have exclusive authority to direct the defense and effect any settlement for which the foregoing indemnity may apply, and You covenant to cooperate in such defense or conduct of any such proceeding as reasonably deemed necessary by the Company. Without prejudice to the generality of the foregoing, You shall indemnify the Company Indemnitees for, and Your account shall be charged, the full amount of all such obligations in default.

## SECTION XII – MISCELLANEOUS

1. All notices or other communications given under this Agreement may be made by U.S. mail, fax, guaranteed overnight delivery, registered or certified mail. Notice is effective when mailed to the last known address of the Party on file with the other Party, if different from the address shown above. The Company may provide general notices or any other communications to You and Your Producer Personnel and Subagents via email, with the same force and effect as if sent by other means of communication listed above.

2. This Agreement and all addenda and schedules attached hereto, including, but not limited to, the Multipurpose Confidentiality Addendum, constitute the entire contract between You and the Company regarding the subject matter hereof. Your rights and the Company's rights are governed only by this Agreement and by any subsequent amendments hereto executed in accordance with the terms and provisions hereof. You and the Company both acknowledge that no oral or written representations were made about this Agreement or the relationship between You and the Company that are not set forth in this Agreement. This Agreement may only be amended in writing signed by both Parties; provided that, the Company may unilaterally amend any of the attached schedules and addenda, including specifically the Multipurpose Confidentiality Addendum, upon written notice to You.
3. This Agreement supersedes any agreement or contract between the Parties which was in effect immediately prior to the Effective Date. However, this provision does not impair Your right to any Compensation payable under such prior agreement. You may not assign, transfer or otherwise convey any provision of or interest in this Agreement or any payment You become entitled to receive hereunder without the Company's prior written consent, and any attempt to do so shall be void.
4. If the Company waives any provision of this Agreement, the waiver shall apply only to that provision, and not to any other provision(s) of this Agreement. No waiver shall be effective unless it is in writing and signed by a duly authorized officer of the Company. Failure of either Party to insist upon strict compliance with any condition of this Agreement will not be construed as a waiver of any condition thereof.
5. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision.
6. Except as set forth in subsection 7 below, any dispute arising out of or relating to this Agreement, including the breach, scope, application, interpretation, termination or validity of this Agreement and the arbitrability of disputes between the Parties, shall be finally resolved by arbitration by three arbitrators in accordance with CPR International Institute for Conflict Prevention and Resolution Rules for Non-Administered Arbitration; provided, however, that any such dispute need not be arbitrated while:
  - a. A customer dispute is pending in a court of law or equity against You, Your Producer Personnel or any of Your Subagents and the Company, or
  - b. You or any of Your Producer Personnel and/or Subagents are alleged to have engaged in fraud, other intentional misconduct, an illegal act, or conduct otherwise outside the scope of this Agreement.

Nothing in this provision shall prevent the Company from asserting a claim (including a counterclaim or cross-claim) against, impleading, or otherwise joining You or Your Subagents to any court proceeding between the Company and a third party. The arbitration shall be governed by the Federal Arbitration Act, 9, U.S.C. §§1 et seq., and judgment upon the award rendered by the arbitrators may be entered by any court having jurisdiction thereof. The place of the arbitration shall be Henrico County, Virginia, or such other place as the Parties may agree or the arbitrators may designate. Except as may be required by law, neither Party nor any arbitrator may disclose the existence, content, status or results of any arbitration hereunder without the prior written consent of the other Party.

7. You agree that money damages would not be sufficient remedy for Your breach of the obligations of this Agreement. Accordingly, in addition to all other remedies that Company may have pursuant to subsection 6 above, Company shall be entitled to specific performance, injunctive relief or other equitable relief from a court of law as a remedy for any breach of this Agreement without the requirement of posting a bond or other security. The provisions of this subsection shall be construed in conjunction with the provisions of subsection 6, above, so as to preserve the Parties' obligation to arbitrate all disputes not specifically enumerated by this subsection.
8. This Agreement is entered into solely between, and may be enforced only by, the Parties. This Agreement shall not be deemed to create any rights in third parties, including customers of a Party or any of Your Producer Personnel or Subagents, or to create any obligations of a Party to any third parties.
9. The Parties agree that this Agreement shall be governed in all respects in accordance with the laws of the State of New York, notwithstanding any choice of law, principle or rule to the contrary. You hereby consent to the exercise of personal jurisdiction over You by the state and federal courts located in the Eastern District of Virginia with respect to any claim for specific performance, injunctive relief or other equitable relief as authorized by subsection 7 hereof.
10. Upon any termination of this Agreement, all obligations of the Parties hereunder will cease and this Agreement will be of no further force and effect; provided, however, that Section II.3, Section II.4, Section IV (Compensation), Section V (Records and Materials), Section VI (Intellectual Property), Section IX (Termination; Suspension), Section XI (Indemnification), and Section XII (Miscellaneous) will survive termination, together with any other provisions hereof which expressly or by their nature are intended to survive termination and termination of this Agreement for any reason will not release any Party from performing any obligation remaining to be performed hereunder (including the obligation to pay any amounts when due) or otherwise relieve such Party from any other liability hereunder that has accrued prior to the date of such termination.
11. This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original copy of this Agreement and all of which, when taken together, will be deemed to constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by facsimile or other means of electronic transmission utilizing reasonable image scan technology shall be as effective as delivery of a manually executed counterpart of this Agreement.

*[Signature page follows]*



IN WITNESS WHEREOF, the Parties have entered into this Agreement through their duly authorized representatives as of the Effective Date.

**Executed on behalf of Producer:**

Agreement signed by Producer on the Producer Information and Appointment Form and Execution of  
Producer Agreement on \_\_\_\_\_

Producer Name: \_\_\_\_\_  
*Name (Print or Type)*

**Executed on behalf of CareScout Insurance Company:**

By: \_\_\_\_\_  
*Name (Print or Type)*

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

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

Date Signed: \_\_\_\_\_

*[Signature Page to Producer Agreement]*