

Licensing paperwork for Capital Blue Cross is attached.

Please review the following guidelines before completing the paperwork. URL Insurance Group will process your completed licensing paperwork when submitted **WITH YOUR FIRST APPLICATION**. The only exceptions to this are with the companies or States that require you to be contracted before taking an application. A list of the exceptions can be found on the next page.

In addition to submitting licensing the company requires the items checked below....

- Copy of your resident State license
- Proof of E& O coverage
- Resident State licensing fee
- Non resident State licensing fee
- Anti-Money laundering training required. Was it completed__ yes __ no? If completed on LIMRA website check here ____ . If not, send proof of completion elsewhere.
- Copy of Corporate license, if applicable
- Other:

Please send complete paperwork to Puttheara Som, putts@urlinsgroup.com
Fax 717-540-5628, or mail to 5320 Jaycee Avenue, Harrisburg, Pa. 17112

Call Puttheara with questions at 1-800-926-8875 ext 124.

This licensing, and licensing for our other carriers can be completed on line by going to our web site at www.urlinsgroup.com .

PLEASE NOTE...If you send in licensing without an application in states where pre- licensing is not required we will hold the licensing for 30 days. If an application is not received within that 30 day period we will discard the licensing paperwork.



PersonalBlue PPOSM

Offered by

CAPITAL BLUE CROSS AND CAPITAL ADVANTAGE INSURANCE COMPANY®
Independent Licensees of the Blue Cross and Blue Shield Association

Producer Appointment Checklist

Please complete **one** of the following as applicable:

_____ Capital BlueCross Standard Agent Form C-7
(Please complete if appointing as an agent)

_____ Capital BlueCross Standard Agency Form C-8
(Complete if appointing as the “designated licensee” of an agency. One form C-8 per agency. All additional producers should complete Form C-7.)

Please complete and/or submit all of the following in addition to the above:

_____ Capital BlueCross Standard Agent Form C-155

_____ Capital BlueCross Standard Agent Addendum Form C-252

_____ HITECH BAA Attachment

_____ Copy of PA Insurance License

_____ Copy of E&O Declaration Page

Please complete and sign all documents and forward to:

Deb Wilkinson
Vice President, Health Plan Options
URL Insurance Group
5320 Jaycee Avenue
Harrisburg, PA 17112-2936
Phone: 800-826-8875
Fax: (717)-541-8865
debw@urlinsgroup.com

Important Notice Regarding Your Appointment for the Sale of Products Offered by Capital BlueCross, Capital Advantage Insurance Company, and Keystone Health Plan Central

Capital BlueCross, Capital Advantage Insurance Company, and Keystone Health Plan Central are sometimes referred to throughout this Appointment Disclosure Form as the “Appointing Entities.”

- Prior to appointing or reappointing a licensed insurance producer (“producer”), Pennsylvania law requires insurance companies that are authorized to transact business within Pennsylvania to make reasonable inquiry to: (i) determine whether the producer could be disqualified from obtaining a new or renewal producer’s license under applicable Insurance Department regulations; and (ii) verify other information relevant to the producer’s fitness to conduct the business of insurance.
- In addition, under federal law, any person who has been convicted of any criminal felony involving dishonesty or breach of trust is prohibited from engaging in the insurance business without the consent of the Pennsylvania Insurance Commissioner.
- Capital BlueCross, Capital Advantage Insurance Company, and Keystone Health Plan Central require that each producer read and understand the Capital BlueCross Code of Conduct. The Code of Conduct is available at the Capital BlueCross Web site (www.capbluecross.com/AboutCBC/CodeofConduct) or upon request from Capital BlueCross Broker Relations. By accepting your appointment from Capital BlueCross, Capital Advantage Insurance Company, and Keystone Health Plan Central, you agree to conduct business in accordance with the Code of Conduct and to report any actual or potential conflicts of interest to Capital BlueCross, Capital Advantage Insurance Company, and Keystone Health Plan Central.
- Capital BlueCross, Capital Advantage Insurance Company, and Keystone Health Plan Central may share your responses to the attached Appointment Disclosure Form with their vendors for certain ancillary products such as dental, vision, and stop-loss coverage. These vendors may, in turn, rely upon your responses in order to appoint you for the sale of their respective insurance products.

The Appointing Entities will rely upon your responses to the attached Appointment Disclosure Form when appointing you.

APPOINTMENT DISCLOSURE FORM CHECKLIST

- ✓ If you are applying as an individual producer, please complete Form C-7.
- ✓ If you are applying as the “designated licensee” of an insurance agency, please complete Form C-8 and instruct all your licensed producers to complete Form C-7.
- ✓ Have you read the Capital BlueCross Code of Conduct?
- ✓ Have you legibly printed or typed your responses to the Appointment Disclosure Form?
- ✓ Have you attached a copy of your current producer’s license?
- ✓ Have you signed and dated your Appointment Disclosure Form?

APPOINTMENT DISCLOSURE FORM C-7 (INDIVIDUAL)

1. You are applying for appointment as a: Standard Agent or Preferred Agent or Select Agent
2. Your Full Name: _____ If you have used any other name(s) over the past ten years, please identify your other name(s):
 Prior Name: _____
3. Your Social Security Number: ____-____-____ Dates of Use: _____ to _____
4. Identify the date on which the Pennsylvania Insurance Department most recently issued/renewed your producer's license: ____/____/____ **PLEASE ATTACH A COPY OF YOUR CURRENT PRODUCER'S LICENSE.**
5. Your Business Address: _____ City _____ State _____ ZIP _____
6. Your Business Telephone Number: () _____ Your Primary Residence Telephone Number: () _____
5. Your Primary Residence Address: _____ City _____ State _____ ZIP _____
8. Your Primary Email Address: _____
9. Has your application for a producer's license ("license") been denied, or has an existing license been suspended, revoked, or not renewed by an insurance regulatory entity in any state, territory, or possession of the United States, the District of Columbia, or any Canadian province?
 No Yes If yes, please disclose on a separate sheet the date, location, and reason for the denial, suspension, or revocation.
10. Have you engaged in any conduct which the insurance regulatory entity of any state, territory, or possession of the United States, the District of Columbia, or any Canadian province has determined to be in violation of the applicable insurance law of that jurisdiction, and as a result of that determination you paid a fine, signed a consent decree, or for which you received a warning or a letter of reprimand?
 No Yes If yes, please disclose on a separate sheet the date and nature of the violation and sanction.
11. Have you ever pleaded guilty, entered a no contest plea, or been convicted of **any crime**, including, but not limited to, the following:
- Unlawful advertising of insurance business
 - Unlawful coercion in contracting insurance
 - Furnishing free insurance as an inducement for purchases
 - Unlawful collection practices
 - Embezzlement
 - Obtaining money under false pretenses
 - Conspiracy to defraud
 - Bribery or corrupt influence
 - Perjury or false swearing
 - Unlicensed producer activity
 - Criminal offense involving moral turpitude or harm to another
- No Yes If yes, please disclose on a separate sheet the nature of the offense, name and address of the court, date of conviction, or entry of either a guilty plea or a no contest plea, and the sentence imposed. (Do not include traffic violations or citations in your response to this item.) Do not limit your disclosure to the crimes listed above.
12. Have you ever been short on an account with an employer or other party for whom you have held funds?
 No Yes If yes, please explain on a separate sheet.
13. Have you ever had an application for bond denied?
 No Yes If yes, please disclose on a separate sheet the basis for and date of the denial.
14. Professional References: Please identify two individuals who are not related to you who can provide professional references on your behalf. We prefer licensed insurance producers as references, if possible.
- Name: _____ Employer: _____ Telephone _____ Licensed insurance producer
 Yes No
 Address: _____ ()

- Name: _____ Employer: _____ Telephone _____ Licensed insurance producer
 Yes No
 Address: _____ ()

APPOINTMENT DISCLOSURE FORM C-7 (INDIVIDUAL)

15. Please disclose your employment history for the past **ten** years (Attach separate sheet(s) if necessary):

Current Employer

Name: _____
Address: _____

Contact Person: _____
Title: _____
Telephone: () _____
Employment Dates: From: _____ To: Present

May we contact to verify
your employment?
Yes No

Prior Employer

Name: _____
Address: _____

Contact Person: _____
Title: _____
Telephone: () _____
Employment Dates: From: _____ To: Present

May we contact to verify
your employment?
Yes No

Prior Employer

Name: _____
Address: _____

Contact Person: _____
Title: _____
Telephone: () _____
Employment Dates: From: _____ To: Present

May we contact to verify
your employment?
Yes No

Prior Employer

Name: _____
Address: _____

Contact Person: _____
Title: _____
Telephone: () _____
Employment Dates: From: _____ To: Present

May we contact to verify
your employment?
Yes No

APPOINTMENT DISCLOSURE FORM C-7 (INDIVIDUAL)

REPRESENTATIONS, WARRANTIES AND ACKNOWLEDGMENTS

- I hereby certify that the foregoing answers and statements are true to the best of my knowledge and belief and that I am acting on my own behalf.
- I acknowledge and affirm that I have a continuing obligation to inform Capital BlueCross, Capital Advantage Insurance Company, and Keystone Health Plan Central (the "Appointing Entities") if I plead guilty to, enter a no contest plea to, or am convicted of any crime.
- I acknowledge and affirm that I have a continuing obligation to report to the Appointing Entities any conduct, activity or event that occurs subsequent to the date on which I have signed this disclosure form, that would have required disclosure in response to questions 9, 10, and 11.
- I acknowledge and understand that each of the Appointing Entities may conduct a criminal background check and that my appointment may be affected by the information obtained in response to such inquiry, up to and including the termination of my appointment.
- I acknowledge and understand that my answers to the foregoing inquiries may prompt further inquiry by each of the Appointing Entities, to which I agree to provide truthful responses.
- I acknowledge and affirm that I have read the Capital BlueCross Code of Conduct, that I understand it, and that I agree to comply with it.
- I agree to comply with all the regulations of the Appointing Entities and the Pennsylvania Insurance Department. I certify that I am free to contract with the Appointing Entities. I authorize the individuals or companies identified as references or employers in this Appointment Disclosure Form to give to the Appointing Entities any business or personal information concerning me that they may have, and I release said individuals or companies from all liabilities for any damage whatsoever for issuing this information. I understand that my appointment must be processed with the Pennsylvania Insurance Department prior to receiving any commissions.
- I consent to Capital BlueCross, Capital Advantage Insurance Company, and Keystone Health Plan Central sharing copies of this disclosure form with certain vendors of ancillary insurance products to facilitate my appointment for such vendors.

Signature of Applicant _____ Date: _____

Preferred Agent Approval: _____	Signature	_____	Date
Capital BlueCross Approval: _____	Signature	_____	Date

Important Notice Regarding Your Appointment for the Sale of Products Offered by Capital BlueCross, Capital Advantage Insurance Company, and Keystone Health Plan Central

Capital BlueCross, Capital Advantage Insurance Company, and Keystone Health Plan Central are sometimes referred to throughout this Appointment Disclosure Form as the “Appointing Entities.”

- Prior to appointing or reappointing a licensed insurance producer (“producer”), Pennsylvania law requires insurance companies that are authorized to transact business within Pennsylvania to make reasonable inquiry to: (i) determine whether the producer could be disqualified from obtaining a new or renewal producer’s license under applicable Insurance Department regulations; and (ii) verify other information relevant to the producer’s fitness to conduct the business of insurance.
- In addition, under federal law, any person who has been convicted of any criminal felony involving dishonesty or breach of trust is prohibited from engaging in the insurance business without the consent of the Pennsylvania Insurance Commissioner.
- Capital BlueCross, Capital Advantage Insurance Company, and Keystone Health Plan Central require that each producer read and understand the Capital BlueCross Code of Conduct. The Code of Conduct is available at the Capital BlueCross Web site (www.capbluecross.com/AboutCBC/CodeofConduct) or upon request from Capital BlueCross Broker Relations. By accepting your producer appointment from Capital BlueCross, Capital Advantage Insurance Company, and Keystone Health Plan Central, you agree to conduct business in accordance with the Code of Conduct and to report any actual or potential conflicts of interest to Capital BlueCross, Capital Advantage Insurance Company, and Keystone Health Plan Central.
- Capital BlueCross, Capital Advantage Insurance Company, and Keystone Health Plan Central may share your responses to the attached Appointment Disclosure Form with their vendors for certain ancillary products such as dental, vision, and stop-loss coverage. These vendors may, in turn, rely upon your responses in order to appoint you for the sale of their respective insurance products.

The Appointing Entities will rely upon your responses to the attached Appointment Disclosure Form when appointing you.

APPOINTMENT DISCLOSURE FORM CHECKLIST

- ✓ If you are applying as the “designated licensee” of an insurance agency, please complete Form C-8 and instruct all your licensed producers to complete Form C-7.
- ✓ If you are applying as an individual producer, please complete Form C-7.
- ✓ Have you read the Capital BlueCross Code of Conduct?
- ✓ Have you legibly printed or typed your responses to the Appointment Disclosure Form?
- ✓ Have you attached a copy of your current individual producer’s license?
- ✓ Have you attached a copy of your current business entity license?
- ✓ Have you signed and dated your Appointment Disclosure Form?

APPOINTMENT DISCLOSURE FORM C-8 (AGENCY)

PART A – PLEASE PROVIDE THE FOLLOWING INFORMATION ABOUT YOURSELF

NOTE: A designated licensee must complete this disclosure form.

Your Full Name: _____

If you have used any other name(s) over the past ten years, please identify your other name(s):

Your Social Security Number: ____ - ____ - ____

Prior Name: _____

Dates of Use: _____ to _____

Identify the date on which the Pennsylvania Insurance Department most recently issued/renewed your individual producer’s license: ____/____/____ **PLEASE ATTACH A COPY OF YOUR CURRENT INDIVIDUAL PRODUCER’S LICENSE.**

Your Business Address: _____ City _____ State _____ ZIP _____

Your Business Telephone Number: (____) _____ Your Primary Residence Telephone Number: (____) _____

Your Primary Residence Address: _____ City _____ State _____ ZIP _____

Your Primary Email Address: _____

Has your application for a producer’s license (“license”) been denied, or has an existing license been suspended, revoked, or not renewed by any insurance regulatory entity in any state, territory, or possession of the United States, the District of Columbia, or any Canadian province?

No Yes If yes, please disclose on a separate sheet the date, location, and reason for the denial, suspension, or revocation.

Have you engaged in any conduct which the insurance regulatory entity of any state, territory, or possession of the United States, the District of Columbia, or any Canadian province has determined to be in violation of the applicable insurance law of that jurisdiction, and as a result of that determination you paid a fine, signed a consent decree, or for which you received a warning or a letter of reprimand?

No Yes If yes, please disclose on a separate sheet the date and nature of the violation and sanction.

Have you ever pleaded guilty, entered a no contest plea, or been convicted of **any crime**, including, but not limited to, the following:

- Unlawful advertising of insurance business
- Unlawful coercion in contracting insurance
- Furnishing free insurance as an inducement for purchases
- Unlawful collection practices
- Embezzlement
- Obtaining money under false pretenses
- Conspiracy to defraud
- Bribery or corrupt influence
- Perjury or false swearing
- Unlicensed agent activity
- Criminal offense involving moral turpitude or harm to another

No Yes If yes, please disclose on a separate sheet the nature of the offense, name and address of the court, date of conviction, or entry of either a guilty plea or a no contest plea, and the sentence imposed. (Do not include traffic violations or citations in your response to this item.) Do not limit your disclosure to the crimes listed above.

Have you ever been short on an account with an employer or other party for whom you have held funds?

No Yes If Yes, please explain on a separate sheet.

Have you ever had an application for bond denied?

No Yes If yes, please disclose on a separate sheet the basis for and date of the denial.

Professional References: Please identify two individuals who are not related to you who can provide professional references on your behalf. We prefer licensed insurance producers as references, if possible.

Name: _____ Employer: _____ Telephone: (____) _____ Licensed insurance producer?
Yes No
Address: _____

Name: _____ Employer: _____ Telephone: (____) _____ Licensed insurance producer?
Yes No
Address: _____

15. Please disclose your employment history for the past **ten** years (Attach separate sheet(s) if necessary):

Current Employer

Name: _____
Address: _____

Contact Person: _____
Title: _____
Telephone: (____) _____
Employment Dates: From: _____ To: Present

May we contact to verify
your employment?
Yes No

Prior Employer

Name: _____
Address: _____

Contact Person: _____
Title: _____
Telephone: (____) _____
Employment Dates: From: _____ To: _____

May we contact to verify
your employment?
Yes No

Prior Employer

Name: _____
Address: _____

Contact Person: _____
Title: _____
Telephone: (____) _____
Employment Dates: From: _____ To: _____

May we contact to verify
your employment?
Yes No

Prior Employer

Name: _____

Address: _____

Contact Person: _____

Title: _____

Telephone: (____) _____

Employment Dates: From: _____ To: _____

May we contact to verify
your employment?
Yes No

PART B – PLEASE PROVIDE THE FOLLOWING INFORMATION ABOUT YOUR AGENCY

16. Your Agency is licensed as a: Corporation Partnership

17. Agency Name: _____

18. Agency Address: _____ City _____ State _____ ZIP _____

19. Agency Telephone Number: (____) _____

20. Federal Tax Identification Number: _____

21. Incorporation Date/Partnership Formation Date: ____/____/____

22. Identify the date on which the Pennsylvania Insurance Department most recently issued/renewed the agency's business entity license:
____/____/____ **PLEASE ATTACH A COPY OF YOUR AGENCY'S CURRENT BUSINESS ENTITY LICENSE.**

23. Identify all individual producers who will be producing on behalf of your agency and who will, therefore, require appointments:

Agent's Full Name:

Social Security Number:

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

ALL PRODUCERS MUST COMPLETE INDIVIDUAL APPOINTMENT DISCLOSURE FORM C-7.

REPRESENTATIONS, WARRANTIES, AND ACKNOWLEDGMENTS

- I hereby certify that the foregoing answers and statements are true to the best of my knowledge and belief and that I am a designated licensee (as defined by the Pennsylvania Insurance Department) for my agency.
- I acknowledge and affirm that I have a continuing obligation to inform Capital BlueCross, Capital Advantage Insurance Company, and Keystone Health Plan Central (the "Appointing Entities") if I plead guilty to, enter a no contest plea to, or am convicted of any crime.
- I acknowledge and affirm that I have a continuing obligation to report to the Appointing Entities any conduct, activity, or event that occurs subsequent to the date on which I have signed this disclosure form, that would have required disclosure in response to questions 9, 10, and 11.
- I acknowledge and understand that each of the Appointing Entities may conduct a criminal background check and that my appointment, and the appointment of my agency, may be affected by the information obtained in response to such inquiry, up to and including the termination of my appointment and my agency's appointment.
- I acknowledge and understand that my answers to the foregoing inquiries may prompt further inquiry by each of the Appointing Entities, to which I agree to provide truthful responses.
- I acknowledge and affirm that I have read the Capital BlueCross Code of Conduct, that I understand it, and that I agree to comply with it.
- I agree to comply with all the regulations of the Appointing Entities and the Pennsylvania Insurance Department. I certify that I am free to contract with the Appointing Entities. I authorize the individuals or companies identified as references or employers in this Appointment Disclosure Form to give to the Appointing Entities any business or personal information concerning me that they may have, and I release said individuals or companies from all liabilities for any damage whatsoever for issuing this information. I understand that my appointment must be processed with the Pennsylvania Insurance Department prior to receiving any commissions.
- I consent to Capital BlueCross, Capital Advantage Insurance Company, and Keystone Health Plan Central sharing copies of this disclosure form with certain vendors of ancillary insurance products to facilitate my appointment for such vendors.

Signature of Designated Licensee _____ Date: _____

Preferred Agent Approval: _____	_____
Signature	Date
Capital BlueCross Approval: _____	_____
Signature	Date

STANDARD PRODUCER ACKNOWLEDGMENT FORM

PLEASE READ THIS ACKNOWLEDGMENT FORM IN ITS ENTIRETY BEFORE YOU AGREE TO SERVE AS A STANDARD PRODUCER.

SECTION 1. STANDARD PRODUCER INFORMATION

- 1.1 If the Standard Producer is an individual, provide the information requested at Section 1.2.1. If the Standard Producer is an agency, provide the information requested at Section 1.2.2.

1.2.1 Individual Information

1.2.2 Agency Information

Producer Name: _____	Agency Name: _____
Social Security No.: _____	Federal Tax ID No.: _____
Producer License No.: _____	Business Entity License No.: _____
Business Address: _____	Designated Licensee's Name: _____
Business Phone: _____	Designated Licensee's Producer License No.: _____
Business Fax: _____	Designated Licensee's Social Security No.: _____
	Business Address: _____

	Business Phone: _____
	Business Fax: _____
	Principal Partner/ Corporate Officer: _____
	<i>Please attach a separate sheet that identifies each licensed producer who conducts producer business on behalf of the agency identified above. Provide the social security number and certificate of qualification number for each licensed producer. The principal partner or corporate officer identified above agrees to update the information contained on the attached sheet as necessary and to forward the information to Capital and to the Preferred Producer.</i>

- 1.2.3 If the Standard Producer is an agency, then the Principal Partner/Corporate Officer identified in Section 1.2.2 above, acknowledges receipt of these terms and conditions on behalf of all licensed producers who conduct producer business on behalf of the agency. The Principal Partner/Corporate Officer agrees to provide a copy of this Standard Producer Acknowledgment Form to each licensed producer who conducts producer business on behalf of the agency.

SECTION 2. DEFINITIONS

- 2.1 "Capital" means Capital BlueCross and its wholly owned subsidiaries, Capital Advantage Insurance Company and Keystone Health Plan Central, and their respective directors, officers, and employees. Capital BlueCross, Capital Advantage Insurance Company and Keystone Health Plan Central are independent licensees of the Blue Cross and Blue Shield Association.
- 2.2 "Change in Control" means a transaction that results in either (i) holding fifty percent (50%) or more of the outstanding voting securities of an entity; (ii) if an organized corporate entity, having the contractual power to designate a majority of the directors of the entity, or, if not an organized corporate entity, of individuals exercising similar functions; or (iii) in the case of an entity without outstanding voting securities, having the right to fifty percent (50%) or more of the entity's assets, or the right, in the event of dissolution, to fifty percent (50%) or more of the entity's assets.
- 2.3 "Contract Holder" means the individual entering into a contract with Capital for a Health Benefits Program.
- 2.4 "Health Benefits Programs" means any one or a combination of the individual health benefits plans insured or administered by Capital, including, without limitation, Short-Term Major Medical products and any individual medically-underwritten plan, including the PersonalBlue PPO medically-underwritten and guaranteed-issue products, or any successor program that may be offered.
- 2.5 "Preferred Producer" means the entity with which Capital has entered into a Preferred Producer Master Agreement.
- 2.6 "Producer of Record" means a Standard Producer or a Preferred Producer as designated by a Contract Holder, using the appropriate forms as determined by Capital.
- 2.7 "Service Area" means the following twenty-one counties within the Commonwealth of Pennsylvania: Adams, Berks, Centre, Columbia, Cumberland, Dauphin, Franklin, Fulton, Juniata, Lancaster, Lebanon, Lehigh, Mifflin, Montour, Northampton, Northumberland, Perry, Schuylkill, Snyder, Union and York, .
- 2.8 "Standard Producer" means any licensed agent, agency, or broker who has executed a Standard Producer Acknowledgment Form and entered into a contractual relationship with the Preferred Producer.
- 2.9 "You" and "Your" shall refer to the individual licensed producer, or to the agency identified as the Standard Producer in Section 1.

SECTION 3. INTRODUCTION

- 3.1 Capital administers a producer program as a service to its customers. Capital contracts with Preferred Producers. A Preferred Producer, in turn, may ask You and other appropriately qualified individuals or agencies to serve as Standard Producers.
- 3.2 Capital will decide whether to appoint you to be a Standard Producer.
- 3.3 As a condition to your appointment as a Standard Producer, You must obtain and maintain an errors and omissions liability insurance policy. (See Section 4 for more details regarding this important condition.)
- 3.4 The Preferred Producer may attach this Acknowledgment Form to any document or contract that You might be requested to sign as a condition of your appointment as a Standard Producer.
- 3.5 Commissions and administrative fees, as applicable, will be paid in accordance with the schedule attached to this Agreement and marked as Schedule "A." The Preferred Producer Master Agreement(s) specifies all commission payment rules, including payment of commissions in the event Capital terminates Your appointment, terminates the producer program, terminates the Preferred Producer Master Agreement(s), or You terminate Your relationship with the Preferred Producer. It is Your responsibility to resolve all commission payment issues directly with the Preferred Producer.

SECTION 4. YOUR APPOINTMENT AS A PRODUCER FOR CAPITAL

- 4.1 Before Capital will consider the appointment application materials submitted by the Preferred Producer on Your behalf, You must: (1) obtain errors and omissions liability insurance coverage with an aggregate limit of liability of at least One Million (\$1,000,000) Dollars with an insurance company have an A.M. Best rating of "A" or higher, and (2) submit a copy of the "Declaration Sheet" of Your errors and omissions policy to Capital.
- 4.2 After Capital reviews the appointment application materials submitted by the Preferred Producer on Your behalf, Capital may elect to appoint you to be a Standard Producer. In the event of such an election, Capital will notify the Pennsylvania Insurance Department. Your appointment will be for the "0300 Accident and Health" power as defined by the Pennsylvania Insurance Department.
- 4.3 You will be permitted to submit applications for Health Benefits Programs only after:
 - 4.3.1 Your appointment by Capital is complete; and
 - 4.3.2 You complete the necessary documentation as required by the Preferred Producer.
- 4.4 The Preferred Producer (and not Capital) shall be responsible for any and all commission for business produced or services performed by You.
- 4.5 As an insurance producer for Capital, You are only authorized to do the following:
 - 4.5.1 To represent Capital to Contract Holders in the Service Area, provided that the appropriate form as determined by Capital has been executed naming You as Producer of Record.

- 4.5.2 To obtain and present premium rate quotations for coverage under the Health Benefits Programs.
- 4.5.3 To solicit applications, enrollment cards, and similar or related documents required by Capital prior to effectuating coverage under contracts for Health Benefits Programs.
- 4.6 As an insurance producer for Capital, You will be expected to comply with the following:
 - 4.6.1 To (i) maintain errors and omissions liability insurance coverage with an aggregate limit of liability of at least One Million (\$1,000,000) Dollars with an insurance company have an A.M. Best rating of "A" or higher; (ii) provide Capital, at its request, with a copy of such errors and omissions insurance policy; and (iii) notify Capital within five (5) days of any receipt of notice that the errors and omissions insurance carrier intends to terminate, cancel, non-renew, or rescind the errors and omissions insurance coverage.
 - 4.6.2 To be governed strictly by all Capital underwriting and participation rules, regulations, and instructions contained in manuals, proposals or otherwise in effect from time to time. In the event of any dispute as to the interpretation of underwriting rules, regulations and instructions of Capital, Capital shall make the final determination of all such disputes.
 - 4.6.3 To adhere to all of Capital's underwriting, participation, and marketing guidelines applicable to the Health Benefits Programs.
 - 4.6.4 To observe and comply with all applicable insurance laws and Pennsylvania Insurance Department regulations, and any federal requirements.
 - 4.6.5 You must forward to Capital immediately upon receipt any and all governmental or other communications, complaints, and/or inquiries, written or oral, regarding or pertaining to the Health Benefits Programs.
 - 4.6.6 To keep such records and forms as may be reasonably required by Capital and/or applicable laws and regulations. Such records together with all manuals and all supplies furnished by Capital shall remain the property of Capital and shall be subject to examination by and/or surrender to Capital at any time. You must maintain complete records of all transactions pertaining to Contract Holders, along with correspondence to and from Contract Holders for the longer of (i) the current year plus the six preceding calendar years or (ii) any period required by applicable law.
 - 4.6.7 To conduct yourself so as not to adversely affect the business, good standing and reputation of Capital.
 - 4.6.8 You shall not represent yourself as an employee of Capital.

SECTION 5. LIMITATIONS ON YOUR AUTHORITY AS A STANDARD PRODUCER

- 5.1 Your authorization to perform under this Standard Producer Acknowledgment Form, including without limitation, representing Capital, obtaining and presenting premium rate quotations, and soliciting and submitting applications for Health Benefits Programs shall be

limited to only those Health Benefits Programs for which the Preferred Producer You contract with is authorized to obtain and present premium rate quotations, and solicit and submit applications as part of Preferred Producer's appointment by Capital.

- 5.2 As an insurance producer for Capital, You are not permitted to perform any of the following acts:
- 5.2.1 To waive, modify, or change any terms, conditions, rates, proposals, or limitations of any contract issued for Health Benefits Programs.
 - 5.2.2 To bind or commit Capital in any manner.
 - 5.2.3 To receive any money for Capital.
 - 5.2.4 To extend the time for any premium payment.
 - 5.2.5 To reinstate any coverage terminated.
 - 5.2.6 To adjust, settle, or admit liability on any claim.
 - 5.2.7 To solicit applications or enrollment forms outside the Service Area.
 - 5.2.8 To effect any verbal contracts for Health Benefits Programs.
 - 5.2.9 To effect any contracts for Health Benefits Programs except by means of authorized forms duly executed by authorized Capital representatives.
 - 5.2.10 To publish or cause to be published, circulate or cause to be circulated any advertising material other than that approved in writing by or furnished by Capital. All questions regarding the appropriate use of advertising material must be directed to the Preferred Producer.
 - 5.2.11 Unless authorized in writing by Capital, You may not use in any form any registered or unregistered trademark, trade name, or service mark owned by Capital, any Capital affiliate or by the Blue Cross and Blue Shield Association, nor may You place any advertisement pertaining to Capital in any medium, or issue or distribute any circular, letter or publication referring to Capital without Capital's prior written consent.
 - 5.2.12 To extend credit or incur any indebtedness, liability, or obligation on behalf of Capital.
 - 5.2.13 To sign an application on behalf of an applicant.
 - 5.2.14 To pay, allow, or offer to pay or allow as an inducement to any person or Contract Holder, any rebate of premium or other form of consideration.
 - 5.2.15 To enter into any legal proceeding pertaining to Capital as a representative of Capital, including the acceptance of legal process on Capital's behalf.

- 5.2.16 To act in a manner contrary to any laws, rules, or regulations of any governmental or other regulatory authority having jurisdiction over health and welfare benefit plans.

SECTION 6. ELIGIBLE CONTRACT HOLDERS

- 6.1 In order to be eligible for the Health Benefits Programs offered by Capital, a Contract Holder must comply with Capital's current eligibility and underwriting standards/guidelines. These standards/guidelines are subject to change without notice.
- 6.2 All necessary enrollment materials and premium rate quotation requests must be received by Capital within any deadlines set by Capital before a Contract Holder will be considered for coverage.
- 6.3 A Contract Holder must execute the required documentation established by Capital from time to time and be formally accepted by Capital in order to be enrolled.

SECTION 7. RESERVATION OF RIGHTS

- 7.1 Capital reserves the right to reject any application for enrollment in a Health Benefits Program.
- 7.2 Capital reserves the right to discontinue or withdraw from sale any Health Benefits Program, amendment, or endorsement.
- 7.3 Capital reserves the right to amend or cancel any Health Benefits Program.
- 7.4 Capital reserves the right to determine all terms, conditions, and limitations on any Health Benefits Program contract.
- 7.5 Capital reserves the right to amend, delete, or add any Capital procedure.
- 7.6 Capital reserves the right, upon reasonable notice, to audit and make copies of all records in Your possession which relate to the Health Benefits Program or any proposal for a Health Benefits Program that You presented to a Contract Holder.
- 7.7 Capital reserves the right to audit Contract Holders in accordance with the terms and conditions of the Health Benefits Programs. Standard Producer shall assist and cooperate with Capital as necessary in order for Capital to conduct such audits, including production of all Contract Holder documentation in Standard Producer's possession.
- 7.8 If Capital does not extend coverage under a contract for Health Benefits Programs for one of the reasons listed above, no commission shall be paid.

SECTION 8. LICENSES AND COMPLIANCE WITH REGULATIONS

- 8.1 By signing this Acknowledgment Form, You represent and warrant that You are properly licensed to serve as an insurance producer for Capital.
- 8.2 Capital will pay the appointment fees and renewal fees for Standard Producers. Capital reserves the right to change this policy at any time. Capital shall not be liable for any fees or taxes required by any federal, state, local, or municipal law.

- 8.3 You agree to notify the Preferred Producer and Capital immediately of any termination, suspension, or expiration of Your license. You agree to notify the Preferred Producer and Capital immediately in the event You are charged with any wrongdoing for which the penalty of suspension or revocation is possible. The failure on the part of Capital to elect to terminate Your appointment as an insurance producer immediately shall not be construed as a waiver of the right to do so subsequently.

SECTION 9. CONFIDENTIALITY

- 9.1 During the term of Your appointment as an insurance producer for Capital or at any time after termination of Your appointment, You may not divulge or use any confidential and/or proprietary information about Capital's business, except as authorized by Capital in writing. Confidential and proprietary information about the business of Capital includes, but is not limited to, policies, procedures, underwriting guidelines, and/or specific proposals of Capital, in any form whatsoever.
- 9.2 You agree to be liable for and to reimburse Capital for any and all damages to Capital that arise from Your acts or omissions which result in the unauthorized disclosure or use of such confidential or proprietary information.

SECTION 10. TERMINATION OF YOUR APPOINTMENT AS AN INSURANCE PRODUCER

- 10.1 Capital may terminate Your appointment as an insurance producer for Capital immediately upon the occurrence of any of the following:
- 10.1.1 Such termination is required by state or federal law or regulation, or by an order of any state or federal agency or court with authority to issue such an order;
 - 10.1.2 Enforcement of any disciplinary regulatory action against, or suspension or termination of Your license;
 - 10.1.3 Your withholding, converting for Your own use, or otherwise misappropriating funds of Capital or a Contract Holder;
 - 10.1.4 You commit any illegal act or fraud in the performance of Your duties as an insurance producer for Capital;
 - 10.1.5 You fail to maintain errors and omissions coverage as set forth in Section 4.6.1.
 - 10.1.6 Upon Your death, or dissolution, bankruptcy or insolvency.
 - 10.1.7 Upon Your breach of any of the terms of this Acknowledgment Form or of Capital's underwriting rules, regulations and instructions.
 - 10.1.8 Upon Your conviction, entry of a plea of nolo contendere, or the imposition of probation without verdict for any felony, or a misdemeanor related to the business of insurance, including but not limited to fraud, theft, embezzlement, or any other offense related to the misuse or taking of funds.
 - 10.1.9 Upon Your breach of any provision of the HIPAA Business Associate Addendum to which Section 11 refers.

- 10.2 Capital may terminate Your appointment as an insurance producer without cause by giving thirty (30) days written notice to You and to the Preferred Producer.
- 10.3 In the event of the termination of the Preferred Producer Master Agreement(s) between Capital and the Preferred Producer, Your contract with the Preferred Producer will terminate simultaneously, and Capital may:
- 10.3.1 Assist You in establishing a relationship with another Preferred Producer; or
 - 10.3.2 Enter into a Preferred Producer Master Agreement(s) directly with You, so long as You qualify to participate in such an Agreement.
- 10.4 In the event of the termination of the contractual relationship between the Preferred Producer and the Standard Producer for any reason, including, but not limited to a Change in Control of Standard Producer, Capital shall continue to pay the Preferred Producer all commissions for Contract Holders which were originally placed with the Preferred Producer for which either (i) the Standard Producer continues to serve as Producer of Record or (ii) the Standard Producer has assigned its rights as Producer of Record pursuant to Section 13.

SECTION 11. HIPAA COMPLIANCE

- 11.1 You agree to comply with the terms of the HIPAA Business Associate Addendum attached hereto, marked as Schedule "B," and incorporated herein by reference.

SECTION 12. JOINT AND SEVERAL LIABILITY

- 12.1 In the event of a transfer of ownership of the Standard Producer's business, the Standard Producer shall remain jointly and severally liable with the purchaser/transferee for all premium remittances received and all debts and obligations incurred, unless otherwise agreed to in writing by Capital.

SECTION 13. ASSIGNMENT

- 13.1 Your appointment as a Standard Producer for Capital cannot be sold, pledged or assigned.
- 13.2 Your assignment of any commissions payable will only be valid with prior notice to the Preferred Producer and with Capital's prior written consent. Your right to commission in the event of such assignment will remain subject to the terms of the Preferred Producer Master Agreement(s).

SECTION 14. NON-SOLICITATION OF EMPLOYEES

- 14.1 From the date of this Acknowledgment Form and for a period of one year after the effective date of termination thereof neither Capital nor Standard Producer shall, without prior written consent from the other party, recruit, hire, nor attempt to recruit or hire, directly or by assisting others, any employee or agent of the other party. Such prohibited activity includes, but is not limited to, identifying any employee or agent of the other party who has, as determined solely by the employer of such employee or agent, special knowledge regarding areas of interest, or commenting about the quality or quantity of work or personal characteristics of said employee or agent.

SECTION 15. NOTICES

15.1 Notices required or permitted to be given hereunder shall be in writing and shall be delivered (i) by prepaid certified or registered mail or a nationally recognized overnight courier or (ii) by any electronic method for which receipt is documented, to Capital at the address set forth below, or to such other address as may from time to time be specified. All notices shall be effective upon the earlier of (i) receipt, or (ii) with respect to notices that are sent by certified or registered mail, three (3) business days after mailing, and with respect to notices sent by overnight courier one (1) business day after sending.

TO: CAPITAL

Senior Director, Producer Relations
Capital BlueCross
2500 Elmerton Avenue
Harrisburg, PA 17110

SECTION 16. AMENDMENTS

16.1 Capital may unilaterally amend the terms of this Acknowledgment Form for the limited purpose of complying with state or federal law.

SECTION 17. ACKNOWLEDGMENT

17.1 If the Standard Producer is an individual, read the information at Section 17.2.1 and sign this form at the space provided. If the Standard Producer is an agency, read the information at Section 17.2.2 and sign this form at the space provided.

17.2.1 Individual Acknowledgment

17.2.2 Agency Acknowledgment

<p>YOUR SIGNATURE ON THE LINE BELOW SIGNIFIES YOUR ACKNOWLEDGMENT AND ACCEPTANCE OF THESE TERMS. YOU ALSO ACKNOWLEDGE THAT CAPITAL WILL RELY UPON YOUR AGREEMENT WITH THESE TERMS AS THE BASIS FOR YOUR APPOINTMENT AS AN INSURANCE PRODUCER FOR CAPITAL.</p> <p>Producer Signature: _____</p> <p>Producer Name: _____</p> <p>Date: _____</p>	<p>YOUR SIGNATURE ON THE LINE BELOW SIGNIFIES YOUR ACKNOWLEDGMENT AND ACCEPTANCE OF THESE TERMS ON YOUR OWN BEHALF <u>AND ON BEHALF OF ALL LICENSED INSURANCE PRODUCERS THAT CONDUCT INSURANCE PRODUCER ACTIVITY ON BEHALF OF THE AGENCY.</u> YOU ALSO ACKNOWLEDGE THAT CAPITAL WILL RELY UPON YOUR AGENCY'S AGREEMENT WITH THESE TERMS AS THE BASIS FOR YOUR AGENCY'S APPOINTMENT AS AN INSURANCE PRODUCER FOR CAPITAL.</p> <p>Principal Partner/ Corporate Officer Signature: _____</p> <p>Principal Partner/ Corporate Officer Name: _____</p> <p>Date: _____</p>
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COMMISSION SCHEDULE

In consideration of and as full compensation for services performed under this Agreement, Capital will remit payment of monthly commissions and administrative fees to the Preferred Producer. Capital will pay commissions and administrative fees, as applicable, in accordance with the terms set forth below:

1. Producer of Record

1.1 Short-Term Major Medical. The Producer of Record will earn 7.5% of monthly premium on individual Short-Term Major Medical products.

1.2 PersonalBlue PPO. The Producer of Record will earn commission at the per contract per month rates established for each category in the following chart:

	Single	Parent & Child	Parent & Children	Husband & Wife	Family
Year 1	\$48.00	\$78.00	\$108.00	\$96.00	\$156.00
Year 2	\$16.00	\$26.00	\$36.00	\$32.00	\$52.00
Years 3-15	\$5.34	\$8.66	\$12.00	\$10.66	\$17.34

2. Incentive Programs

2.1 Capital may, at its sole option, offer incentive programs in effect from time to time, the terms and conditions of which shall be determined by Capital. Capital will communicate the terms and conditions of any such incentive program to Preferred Producer and Standard Producer as appropriate.

BUSINESS ASSOCIATE AGREEMENT

This Addendum (“Addendum”) is made part of the Standard Producer Acknowledgement Form (“Agreement”) by and among the Standard Producer identified in Section 1.1. of the Agreement (“Business Associate”) and Capital BlueCross, Capital Advantage Insurance Company and Keystone Health Plan Central. For purposes of this Addendum only, Capital BlueCross, Capital Advantage Insurance Company and Keystone Health Plan Central are referred to collectively as the “Company,” and the Standard Producer is referred to as the “Business Associate.”

WHEREAS, Company is in the business of providing insured health insurance products in the individual and group markets, and providing administrative services for self funded group health plans, and as such is subject to restrictions on the Use and Disclosure of Protected Health Information as required by the Health Insurance Portability and Accountability Act of 1996, the Health Information Technology for Economic and Clinical Health Act, as incorporated in the American Recovery and Reinvestment Act of 2009 (the “HITECH Act”), and the implementing regulations for those Acts (*45 C.F.R. Parts 160-164*), including any amendments to those regulations (hereafter referred to as the “HIPAA Rules”), and Title V of the Gramm-Leach-Bliley Act (*15 U.S.C. § 6801 et seq.*) and its implementing regulations issued by the Pennsylvania Insurance Department (*31 Pa. Code § 146a et seq., 31 Pa. Code § 146b et seq., and 31 Pa. Code § 146c et seq.*), including any amendments to those regulations (hereafter referred to as the “GLBA Regulations”).

WHEREAS, Business Associate performs certain services for or on behalf of Company in support of its business that involve the receipt by Business Associate of Protected Health Information from Company.

NOW, THEREFORE, intending to be legally bound hereby, Company and Business Associate mutually agree to the terms of this Agreement in order for Company and Business Associate to comply with the requirements of the Health Insurance Portability and Accountability Act of 1996, the HITECH Act, the HIPAA Rules, and Title V of the Gramm-Leach-Bliley Act.

1. **Permitted Uses and Disclosures.** Business Associate is permitted to Use or Disclose Protected Health Information it creates or receives for or from Company only as permitted by the HITECH Act and the HIPAA Rules and only as follows:
 - 1.1. Functions and Activities on Company’s Behalf. Business Associate is permitted to Use and Disclose Protected Health Information it creates or receives for or from Company to perform those functions, activities and services outlined in the Agreement. Business Associate may perform Data Aggregation related to these functions, activities, and services.
 - 1.2. Others’ Payment Activities and Health Care Operations. Business Associate may Disclose Protected Health Information in accordance with 45 C.F.R. § 164.506(c) for the Payment activities of another Covered Entity or Health Care Provider and for the qualifying Health Care Operations of another Covered Entity.
 - 1.3. Business Associate’s Operations. Business Associate may Use Protected Health Information it creates or receives for or from Company as necessary for Business Associate’s proper management and administration or to carry out Business Associate’s legal responsibilities. Business Associate may Disclose such Protected Health

Information, as necessary for Business Associate's proper management and administration or to carry out Business Associate's legal responsibilities only if:

- 1.3.1. The Disclosure is Required By Law; or
 - 1.3.2. Business Associate obtains reasonable assurance, evidenced by written contract, from any person or organization to which Business Associate will Disclose such Protected Health Information that the person or organization will: (i) hold such Protected Health Information in confidence and Use or further Disclose it only for the purpose for which Business Associate Disclosed it to the person or organization or as Required By Law; and (ii) notify Business Associate (who will in turn promptly notify Company) of any instance of which the person or organization becomes aware in which the confidentiality of such Protected Health Information was breached.
2. **Prohibition on Unauthorized Use or Disclosure.** Business Associate will neither Use nor Disclose Protected Health Information it creates or receives for or from Company or from another business associate of Company; except as permitted or required by this Agreement, or as Required By Law, or as otherwise permitted in writing by Company.
 3. **Minimum Necessary.** Business Associate will Use, Disclose, or request Protected Health Information in a Limited Data Set if practicable. Otherwise, Business Associate will, in the performance of its functions and activities on Company's behalf, make reasonable efforts to Use, to Disclose, or to request of a Covered Entity only the minimum necessary amount of Protected Health Information to accomplish the intended purpose of the Use, the Disclosure, or the request when Company would be required to do so by 45 C.F.R. § 164.502(b). Business Associate shall determine what constitutes the minimum necessary Protected Health Information to accomplish the intended purpose of any Disclosure and shall not rely on a request from a third party being for the minimum necessary, except as allowed by amendments to the HIPAA Rules that interpret the HITECH Act.
 4. **Compliance with Privacy Notice.** Business Associate will neither Use nor Disclose Protected Health Information in any manner inconsistent with the content of Company's then current Privacy Practices Notice.
 5. **Information Safeguards.** Business Associate will develop, implement, maintain and use appropriate administrative, technical and physical safeguards in compliance with the HITECH Act and applicable provisions of the HIPAA Rules (including 45 C.F.R. §§ 164.308, 310, 312, 316 and 164.530(c)) and any other applicable implementing regulations issued by the U.S. Department of Health and Human Services, to preserve the integrity, confidentiality, and availability of and to prevent non-permitted Use or Disclosure of Protected Health Information created or received for or from Company. Business Associate will develop and implement written policies and procedures for these safeguards and will keep them current.
 6. **Sub-Contractors and Agents.** Business Associate will require any of its subcontractors and agents, to which Business Associate is permitted by this Agreement or in writing by Company to Disclose any of the Protected Health Information Business Associate creates or receives for or from Company, to provide reasonable assurance, evidenced by written contract, that subcontractor or agent will comply with the same privacy and security obligations as Business Associate with respect to such Protected Health Information.

7. **Compliance with Standard Transactions.** If Business Associate conducts in whole or part Standard Transactions for or on behalf of Company, Business Associate will comply, and will require any subcontractor or agent involved with the conduct of such Standard Transaction to comply, with each applicable requirement of 45 C.F.R. Part 162. Business Associate will not enter into, or permit its subcontractors or agents to enter into, any trading partner agreement in connection with the conduct of Standard Transactions for or on behalf of Company that:
 - 7.1. Changes the definition, data condition, or use of a data element or segment in a Standard Transaction;
 - 7.2. Adds any data element or segment to the maximum defined data set;
 - 7.3. Uses any code or data element that is marked “not used” in the Standard Transaction’s implementation specification or is not in the Standard Transaction’s implementation specification; or
 - 7.4. Changes the meaning or intent of the Standard Transaction’s implementation specification.
8. **Access to Protected Health Information.** Business Associate will promptly, upon Company’s request, make available to Company or, at Company’s direction, to the Individual (or the Individual’s personal representative), for the purpose of inspection and/or obtaining copies, any Protected Health Information about the Individual that Business Associate created or received for or from Company and that is in a Designated Record Set and in Business Associate’s custody or control, so that Company may meet its access obligations under 45 C.F.R. § 164.524.
9. **Amendment of Protected Health Information.** Business Associate will, upon receipt of notice from Company, promptly amend or permit Company access to amend any portion of the Protected Health Information that Business Associate created or received for or from Company that is in a Designated Record Set, so that Company may meet its amendment obligations under 45 C.F.R § 164.526.
10. **Disclosure Accounting of Protected Health Information.** So that Company may meet its disclosure accounting obligations under 45 C.F.R § 164.528:
 - 10.1. Disclosure Tracking. Business Associate will record for each Disclosure, not excepted from disclosure accounting under Agreement Section 10.2 below, that Business Associate makes to Company or a third party of Protected Health Information that Business Associate creates or receives for or from Company: (i) the Disclosure date; (ii) the name and (if known) address of the person or entity to whom Business Associate made the Disclosure; (iii) a brief description of the Protected Health Information Disclosed; and (iv) a brief statement of the purpose of the Disclosure (items i-iv, collectively, the “disclosure information”). For repetitive Disclosures Business Associate makes to the same person or entity (including Company) for a single purpose, Business Associate may provide: (i) the disclosure information for the first of these repetitive Disclosures; (ii) the frequency, periodicity or number of these repetitive Disclosures; and (iii) the date of the last of these repetitive Disclosures. Business Associate will make this disclosure information available to Company promptly upon Company’s request.
 - 10.2. Exceptions from Disclosure Tracking. Business Associate need not record disclosure information or otherwise account for Disclosures of Protected Health Information that

this Agreement or Company in writing permits or requires: (i) for the purpose of Company's Treatment activities, Payment activities, or Health Care Operations; (ii) to the Individual who is the subject of the Protected Health Information Disclosed or to that Individual's personal representative; (iii) pursuant to a valid authorization by the person who is the subject of the Protected Health Information Disclosed; (iv) to persons involved in that Individual's health care or payment for health care; (v) for notification for disaster relief purposes; (vi) for national security or intelligence purposes; (vii) as part of a Limited Data Set; or (viii) to law enforcement officials or correctional institutions regarding inmates.

10.3. Disclosure Tracking Time Periods. Business Associate must have available for Company the disclosure information required by Agreement Section 10.1 for the 6 years preceding Company's request for the disclosure information (except Business Associate need not have disclosure information for Disclosures occurring before April 14, 2003 or before the effective date of this Agreement).

11. **Restriction Agreements and Confidential Communications.** Business Associate will comply with any agreement that Company makes that either (i) restricts Use or Disclosure of Company's Protected Health Information pursuant to 45 C.F.R. § 164.522(a), or (ii) requires confidential communication about Company's Protected Health Information pursuant to 45 C.F.R. § 164.522(b), provided that Company notifies Business Associate in writing of the restriction or confidential communication obligations that Business Associate must follow. Company will promptly notify Business Associate in writing of the termination of any such restriction agreement or confidential communication requirement and, with respect to termination of any such restriction agreement, instruct Business Associate whether any of Company's Protected Health Information will remain subject to the terms of the restriction agreement.

12. **Inspection of Books and Records.** Business Associate will make its internal practices, books, and records, relating to its Use and Disclosure of the Protected Health Information it creates or receives for or from Company, available to Company and to the U.S. Department of Health and Human Services to determine Company's compliance with 45 C.F.R. § 164 *et seq.*

13. **Privacy Obligation Breach and Security Incidents.**

13.1. **Breach of Unsecured Protected Health Information.** Business Associate shall report, following discovery and without unreasonable delay, any incident that would constitute a "Breach" of "Unsecured Protected Health Information," as these terms are defined by the HITECH Act and any implementing regulations and guidance without regard to whether the "Breach" poses a significant risk of financial, reputational, or other harm to an individual. Business Associate shall make an initial report to Company's Legal Department not more than 24 hours after Business Associate learns of the Breach. Business Associate shall cooperate with Company in investigating the Breach and in meeting the Company's obligations under the HITECH Act and any other security breach notification law. Business Associate shall report:

13.1.1. The identity of each individual (if known) whose Unsecured Protected Health Information was, or is reasonably believed by Business Associate to have been, accessed, acquired, Used, or Disclosed as a result of the Breach.

- 13.1.2. The nature of the non-permitted access, Use, or Disclosure, including the date of the Breach and the date the Breach was discovered;
- 13.1.3. The Protected Health Information accessed, Used, or Disclosed as a result of the Breach (e.g., full name, social security number, date of birth, etc.);
- 13.1.4. The identity of the person who made the non-permitted access, Use, or Disclosure and of the person who received the non-permitted Disclosure;
- 13.1.5. A description of each corrective action Business Associate took or will take to prevent further non-permitted access, Uses, or Disclosures;
- 13.1.6. A description of what Business Associate did or will do to mitigate any deleterious effect of the non-permitted access, Use, or Disclosure; and
- 13.1.7. Such other information, including a written report, as Company may reasonably request.

The Company shall, in its sole discretion, determine whether the “Breach” poses a significant risk of financial, reputational or other harm such that notification is required under 45 C.F.R. §§ 164.404, 406 and 408. If Company determines that such notice is required, Company shall, in its sole discretion, determine whether provision of credit monitoring services to victims of the Breach is an appropriate step towards mitigating the risk of harm under the circumstances. Business Associate shall reimburse Company for the cost of any such notification and any such credit monitoring services.

- 13.2. Privacy Obligation Breach. With respect to any incident not subject to reporting under § 13.1 of this Agreement, Business Associate will report to Company any Use or Disclosure of Protected Health Information not permitted by this Agreement or in writing by Company. Business Associate will make the report to Company’s Legal Department not more than 24 hours after Business Associate learns of such non-permitted Use or Disclosure. Business Associate’s report will at least:
 - 13.2.1. Identify the nature of the non-permitted Use or Disclosure;
 - 13.2.2. Identify the Protected Health Information Used or Disclosed;
 - 13.2.3. Identify who made the non-permitted Use or received the non-permitted Disclosure;
 - 13.2.4. Identify what corrective action Business Associate took or will take to prevent further non-permitted Uses or Disclosures;
 - 13.2.5. Identify what Business Associate did or will do to mitigate any deleterious effect of the non-permitted Use or Disclosure; and
 - 13.2.6. Provide such other information, including a written report, as Company may reasonably request.
- 13.3. Security Incidents. With respect to any incident not subject to reporting under § 13.1 of this Agreement, Business Associate will report to Company any successful (a) unauthorized Access, Use, Disclosure, modification, or destruction of Company’s

Electronic Protected Health Information or (b) unauthorized interference with system operations in Business Associate's Information System, of which Business Associate becomes aware. Business Associate will, upon Company's request, report to Company any attempted, but unsuccessful (a) unauthorized Access, Use, Disclosure, modification, or destruction of Company's Electronic Protected Health Information or (b) unauthorized interference with system operations in Business Associate's Information Systems, of which Business Associate becomes aware. Business Associate will make the report in accordance with Section 13.1 above.

14. Termination of Agreement.

- 14.1. Company's Right to Terminate for Breach. Company may terminate this Agreement and/or any other agreements or arrangements entered into between Company and Business Associate if Company determines, in its sole discretion, that Business Associate has materially breached any provision of this Agreement. Company may exercise its right to terminate this Agreement and/or any other agreement or arrangement by providing Business Associate written notice of termination outlining the breach that provides the basis for the termination. Any such termination will be effective immediately or at such other date specified in Company's notice of termination.
- 14.2. Business Associate's Right to Terminate for Breach. Business Associate may terminate the BA Agreement if it determines, after reasonable consultation with Company, that Company has breached any material provision of the BA Agreement and, upon written notice to Company of the breach, Company fails to cure the breach within sixty (60) days after receipt of the notice. Business Associate may exercise this right to terminate the BA Agreement by providing Company written notice of termination, stating the failure to cure the breach that provides the basis for the termination. Any termination will be effective upon a date on which the parties reasonably agree. Business Associate may report the breach to the U.S. Department of Health and Human Services, provided that (a) Business Associate reasonably determines that Company has breached the terms of the BA Agreement, (b) Company has not cured the breach within the cure period described above, and (c) Business Associate and Company mutually determine that termination of the Agreement is not feasible.
- 14.3. Sanctions and Mitigation. Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a Use or Disclosure of Protected Health Information by Business Associate in violation of the requirements of this Agreement.
- 14.4. Return or Destruction of Protected Health Information upon Termination of Agreement. Upon termination, cancellation, expiration or other conclusion of Agreement, Business Associate will, if feasible, return to Company or destroy all Protected Health Information, in whatever form or medium (including in any electronic medium under Business Associate's custody or control), that Business Associate created or received for or from Company, including all copies of and any data or compilations derived from and allowing identification of any Individual who is a subject of the Protected Health Information. Business Associate will complete such return or destruction as promptly as possible, but not later than 30 days after the effective date of the termination, cancellation, expiration or other conclusion of Agreement. Business Associate will identify any Protected Health Information that Business Associate created or received for or from Company that Company agrees cannot feasibly be returned to Company or destroyed, and will limit its further Use or Disclosure of that Protected Health Information to those purposes that

make return or destruction of such Protected Health Information infeasible. Within such 30 days, Business Associate will certify under oath in writing to Company that such return or destruction has been completed, will deliver to Company the identification of any Protected Health Information for which return or destruction is infeasible and, for such Protected Health Information, will certify that it will only Use or Disclose such Protected Health Information for those purposes that make return or destruction infeasible.

14.5. Continuing Privacy Obligation. Business Associate's obligation to protect the privacy of the Protected Health Information it created or received for or from Company will be continuous and survive termination, cancellation, expiration or other conclusion of Agreement.

14.6. Other Obligations and Rights. Business Associate's other obligations and rights and Company's obligations and rights upon termination, cancellation, expiration or other conclusion of any other agreement between Company and Business Associate will be those set forth in such agreement.

15. **Indemnity**. Business Associate will indemnify and hold harmless Company and any Company affiliate, officer, director, employee or agent from and against any claim, cause of action, liability, damage, civil monetary penalties, cost or expense, including attorneys' fees and court or proceeding costs, arising out of or in connection with any non-permitted Use or Disclosure of Protected Health Information or other breach of this Agreement by Business Associate or any subcontractor, agent, person or entity under Business Associate's control.

15.1. Right to Tender or Undertake Defense. If Company is named a party in any judicial, administrative or other proceeding arising out of or in connection with any non-permitted Use or Disclosure of Protected Health Information or other breach of this Agreement by Business Associate or any subcontractor, agent, person or entity under Business Associate's control, Company will have the option at any time either to: (i) tender its defense to Business Associate, in which case Business Associate will provide qualified attorneys to represent Company's interests at Business Associate's expense; or (ii) undertake its own defense, choosing the attorneys, consultants and other appropriate professionals to represent its interests, in which case Business Associate will be responsible for and pay the reasonable fees and expenses of such attorneys, consultants and other professionals.

15.2. Right to Control Resolution. Company will have the sole right and discretion to settle, compromise or otherwise resolve any and all claims, causes of actions, liabilities or damages against it, notwithstanding that Company may have tendered its defense to Business Associate. Any such resolution will not relieve Business Associate of its obligation to indemnify Company under Section 15 of this Agreement.

16. **General Provision**

16.1. Definitions. The capitalized terms not defined herein have the meaning set forth in the HIPAA Rules and the GLBA Regulations.

16.2. Automatic Amendment to Agreement. Upon the effective date of any final regulation or amendment to final regulation promulgated by the U.S. Department of Health and Human Services with respect to Protected Health Information or by an insurance commissioner with jurisdiction over Company that implements Gramm-Leach-Bliley

Act Title V so as to affect Company's relationship with Business Associate with respect to Nonpublic Personal Financial Information, this Agreement will automatically amend such that the obligations they impose on Business Associate remain in compliance with these regulations.

- 16.3. **Company Amendment of Agreement.** By providing Business Associate notice of an amendment to the BA Agreement at least thirty (30) days prior to the amendment's effective date, Company may amend the BA Agreement to reflect changes to Company's policies for complying with or changes to the HIPAA Rules or other laws affecting information privacy, security, or transmission. Business Associate may reject the terms of the amendment by providing written notice of rejection to Company's Legal Department within thirty (30) days of receiving the amendment. If Business Associate fails to provide such notice, Business Associate will be deemed to have agreed to the amendment and the amendment will be binding on Business Associate without signature or other action by Business Associate.
- 16.4. **Conflicts.** The terms and conditions of this Agreement will override and control any conflicting term or condition of any other agreement entered into between Company and Business Associate. All nonconflicting terms and conditions of any other agreement entered into between Company and Business Associate remain in full force and effect.
- 16.5. **Captions.** The captions of the sections of this Agreement are for convenience only and shall not control or affect the meaning or construction of any of the provisions of this Agreement.
- 16.6. **Choice of Law.** This Agreement shall be governed by and interpreted in accordance with the laws of the Commonwealth of Pennsylvania, not including, however, the rules relating to the choice or conflict of laws.
- 16.7. **No Third-Party Beneficiaries.** No third-parties are intended to benefit from this Agreement and no third-party beneficiary rights will be implied from anything contained in this Agreement.
- 16.8. **Interpretation.** Any ambiguity in this Agreement will be resolved in favor of a meaning that permits the Company to comply with the HIPAA Rules and the GLBA Regulations.
- 16.9. **Notices.** Unless otherwise provided herein, notices will be deemed given when properly addressed to the party's Legal Department, upon the date of receipt if hand-delivered, or four (4) business days after deposit in the U.S. mail if mailed by registered or certified mail, postage prepaid, or one (1) business day after deposit with a national overnight courier for next business day delivery, or upon the date of electronic confirmation of receipt of a facsimile transmission.
- 16.10. **Non-Waiver.** A failure of either Company or Business Associate to enforce any term, provision or condition of this Agreement, or to exercise any right or option herein, shall in no way operate as a waiver thereof, nor shall any single or partial exercise preclude any other right or option herein. In no way whatsoever shall a waiver of any term, provision or condition of this Agreement be valid unless in writing, signed by the waiving party, and only to the extent set forth in such writing.

- 16.11. Agreement Drafted by All Parties. This Agreement is the result of arm's length negotiations between Company and Business Associate, and shall be construed to have been drafted by all parties such that any ambiguities in this Agreement shall not be construed against either party.
- 16.12. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, and will become effective and binding upon the parties as of the effective date of this Agreement at such time as all the signatories hereto have signed a counterpart of this Agreement.
- 16.13. Independent Relationship. None of the provisions of this Agreement are intended to create, nor will they be deemed to create any relationship between Company and Business Associate other than that of independent parties contracting with each other as independent contractors solely for the purposes of effecting the provisions of this Agreement.
- 16.14. Successor and Assigns. This Agreement will inure to the benefit of and be binding upon the successors and assigns of Company and Business Associate. However, this Agreement is not assignable by any party without the prior written consent of the other party.

**BUSINESS ASSOCIATE AGREEMENT ADDENDUM
TO STANDARD AGENT ACKNOWLEDGMENT FORM**

This addendum (“Addendum”) is made part of the Standard Agent Acknowledgement Form (“Agreement”) by and between the Standard Agent identified in Section 1.1 of the Agreement (“Business Associate”) and Capital BlueCross, Capital Advantage Insurance Company, and Keystone Health Plan Central (hereafter referred to collectively as “Company”).

WHEREAS, Company is in the business of providing insured health insurance products in the individual and group markets, and providing administrative services for self funded group health plans, and as such is subject to restrictions on the Use and Disclosure of Protected Health Information as required by the Health Insurance Portability and Accountability Act of 1996 and its implementing regulations (*45 C.F.R. Parts 160-164*) (hereafter referred to as the “HIPAA Rules”), and Title V of the Gramm-Leach-Bliley Act (*15 U.S.C. § 6801 et seq.*) and its implementing regulations issued by the Pennsylvania Insurance Department (*31 Pa. Code § 146a et seq., 31 Pa. Code § 146b et seq. and 31 Pa. Code § 146c et seq.*) (hereafter referred to as the “GLBA Regulations”).

WHEREAS, Business Associate performs certain services for or on behalf of Company in support of its business that involve the receipt by Business Associate of Protected Health Information from Company.

NOW, THEREFORE, intending to be legally bound hereby, Company and Business Associate mutually agree to the terms of this Addendum in order for Company to comply with the requirements of the Health Insurance Portability and Accountability Act of 1996 and Title V of the Gramm-Leach-Bliley Act.

1. Permitted Uses and Disclosures. Business Associate is permitted to Use or Disclose Protected Health Information it creates or receives for or from Company only as follows:

- 1.1. Functions and Activities on Company’s Behalf. Business Associate is permitted to Use and Disclose Protected Health Information it creates or receives for or from Company to perform those functions, activities, and services outlined in the Agreement. Business Associate may perform Data Aggregation related to these functions, activities, and services.
- 1.2. Others’ Payment Activities and Health Care Operations. Business Associate may Disclose Protected Health Information in accordance with 45 C.F.R. § 164.506(c) for the Payment activities of another Covered Entity or Health Care Provider and for the qualifying Health Care Operations of another Covered Entity.
- 1.3. Business Associate’s Operations. Business Associate may Use Protected Health Information it creates or receives for or from Company as necessary for Business Associate’s proper management and administration or to carry out Business Associate’s legal responsibilities. Business Associate may Disclose such Protected Health Information, as necessary for Business Associate’s proper management and administration or to carry out Business Associate’s legal responsibilities only if:

- 1.3.1. The Disclosure is Required By Law; or

1.3.2. Business Associate obtains reasonable assurance, evidenced by written contract, from any person or organization to which Business Associate will Disclose such Protected Health Information that the person or organization will: (i) hold such Protected Health Information in confidence and Use or further Disclose it only for the purpose for which Business Associate Disclosed it to the person or organization or as Required By Law; and (ii) notify Business Associate (who will in turn promptly notify Company) of any instance of which the person or organization becomes aware in which the confidentiality of such Protected Health Information was breached.

2. **Prohibition on Unauthorized Use or Disclosure.** Business Associate will neither Use nor Disclose Protected Health Information it creates or receives for or from Company or from another business associate of Company; except as permitted or required by this Addendum, or as Required By Law, or as otherwise permitted in writing by Company.
3. **Minimum Necessary.** Business Associate will, in the performance of its functions and activities on Company's behalf, make reasonable efforts to Use, to Disclose, or to request of a Covered Entity only the minimum necessary amount of Protected Health Information to accomplish the intended purpose of the Use, the Disclosure, or the request when Company would be required to do so by 45 C.F.R. § 164.502(b).
4. **Compliance with Privacy Notice.** Business Associate will neither Use nor Disclose Protected Health Information in any manner inconsistent with the content of Company's then current Privacy Practices Notice.
5. **Information Safeguards.** Business Associate will develop, implement, maintain, and use appropriate administrative, technical, and physical safeguards in compliance with Social Security Act § 1173(d) (42 U.S.C. § 1320d-2(d)), 45 C.F.R. Part 164, Subpart C, 45 C.F.R. § 164.530(c), and any other applicable implementing regulations issued by the U.S. Department of Health and Human Services, to preserve the integrity, confidentiality, and availability of and to prevent non-permitted Use or Disclosure of Protected Health Information created or received for or from Company. Business Associate will document and keep these safeguards current.
6. **Sub-Contractors and Agents.** Business Associate will require any of its subcontractors and agents, to which Business Associate is permitted by this Addendum or in writing by Company to Disclose any of the Protected Health Information Business Associate creates or receives for or from Company, to provide reasonable assurance, evidenced by written contract, that subcontractor or agent will comply with the same privacy and security obligations as Business Associate with respect to such Protected Health Information.
7. **Compliance with Standard Transactions.** If Business Associate conducts in whole or part Standard Transactions for or on behalf of Company, Business Associate will comply, and will require any subcontractor or agent involved with the conduct of such Standard Transaction to comply, with each applicable requirement of 45 C.F.R. Part 162. Business Associate will not enter into, or permit its subcontractors or agents to enter into, any trading partner agreement in connection with the conduct of Standard Transactions for or on behalf of Company that:
 - 7.1. Changes the definition, data condition, or use of a data element or segment in a Standard Transaction;
 - 7.2. Adds any data element or segment to the maximum defined data set;
 - 7.3. Uses any code or data element that is marked "not used" in the Standard Transaction's implementation specification or is not in the Standard Transaction's implementation specification; or

7.4. Changes the meaning or intent of the Standard Transaction's implementation specification.

8. Access to Protected Health Information. Business Associate will promptly, upon Company's request, make available to Company or, at Company's direction, to the Individual (or the Individual's personal representative), for the purpose of inspection and/or obtaining copies, any Protected Health Information about the Individual that Business Associate created or received for or from Company and that is in a Designated Record Set and in Business Associate's custody or control, so that Company may meet its access obligations under 45 C.F.R. § 164.524.

9. Amendment of Protected Health Information. Business Associate will, upon receipt of notice from Company, promptly amend or permit Company access to amend any portion of the Protected Health Information that Business Associate created or received for or from Company that is in a Designated Record Set, so that Company may meet its amendment obligations under 45 C.F.R § 164.526.

10. Disclosure Accounting of Protected Health Information. So that Company may meet its disclosure accounting obligations under 45 C.F.R § 164.528:

10.1. Disclosure Tracking. Business Associate will record for each Disclosure, not excepted from disclosure accounting under Addendum Section 10.2 below, that Business Associate makes to Company or a third party of Protected Health Information that Business Associate creates or receives for or from Company: (i) the Disclosure date; (ii) the name and (if known) address of the person or entity to whom Business Associate made the Disclosure; (iii) a brief description of the Protected Health Information Disclosed; and (iv) a brief statement of the purpose of the Disclosure (items i-iv, collectively, the "disclosure information"). For repetitive Disclosures Business Associate makes to the same person or entity (including Company) for a single purpose, Business Associate may provide: (i) the disclosure information for the first of these repetitive Disclosures; (ii) the frequency, periodicity or number of these repetitive Disclosures; and (iii) the date of the last of these repetitive Disclosures. Business Associate will make this disclosure information available to Company promptly upon Company's request.

10.2. Exceptions from Disclosure Tracking. Business Associate need not record disclosure information or otherwise account for Disclosures of Protected Health Information that this Addendum or Company in writing permits or requires: (i) for the purpose of Company's Treatment activities, Payment activities, or Health Care Operations; (ii) to the Individual who is the subject of the Protected Health Information Disclosed or to that Individual's personal representative; (iii) pursuant to a valid authorization by the person who is the subject of the Protected Health Information Disclosed; (iv) to persons involved in that Individual's health care or payment for health care; (v) for notification for disaster relief purposes; (vi) for national security or intelligence purposes; (vii) as part of a Limited Data Set; or (viii) to law enforcement officials or correctional institutions regarding inmates.

10.3. Disclosure Tracking Time Periods. Business Associate must have available for Company the disclosure information required by Addendum Section 10.1 for the 6 years preceding Company's request for the disclosure information (except Business Associate need not have disclosure information for Disclosures occurring before April 14, 2003 or before the effective date of this Addendum).

11. Restriction Agreements and Confidential Communications. Business Associate will comply with any agreement that Company makes that either (i) restricts Use or Disclosure of Company's Protected Health Information pursuant to 45 C.F.R. § 164.522(a), or (ii) requires confidential

communication about Company's Protected Health Information pursuant to 45 C.F.R. § 164.522(b), provided that Company notifies Business Associate in writing of the restriction or confidential communication obligations that Business Associate must follow. Company will promptly notify Business Associate in writing of the termination of any such restriction agreement or confidential communication requirement and, with respect to termination of any such restriction agreement, instruct Business Associate whether any of Company's Protected Health Information will remain subject to the terms of the restriction agreement.

12. Inspection of Books and Records. Business Associate will make its internal practices, books, and records, relating to its Use and Disclosure of the Protected Health Information it creates or receives for or from Company, available to Company and to the U.S. Department of Health and Human Services to determine Company's compliance with 45 C.F.R. § 164 *et seq.*

13. Privacy Obligation Breach and Security Incidents.

13.1. Privacy Obligation Breach. Business Associate will report to Company any Use or Disclosure of Protected Health Information not permitted by this Addendum or in writing by Company. Business Associate will make the report to Company's Legal Department not more than 24 hours after Business Associate learns of such non-permitted Use or Disclosure. Business Associate's report will at least:

13.1.1. Identify the nature of the non-permitted Use or Disclosure;

13.1.2. Identify the Protected Health Information Used or Disclosed;

13.1.3. Identify who made the non-permitted Use or received the non-permitted Disclosure;

13.1.4. Identify what corrective action Business Associate took or will take to prevent further non-permitted Uses or Disclosures;

13.1.5. Identify what Business Associate did or will do to mitigate any deleterious effect of the non-permitted Use or Disclosure; and

13.1.6. Provide such other information, including a written report, as Company may reasonably request.

13.2. Security Incidents. Business Associate will report to Company any successful (a) unauthorized Access, Use, Disclosure, modification, or destruction of Company's Electronic Protected Health Information or (b) unauthorized interference with system operations in Business Associate's Information System, of which Business Associate becomes aware. Business Associate will, upon Company's request, report to Company any attempted, but unsuccessful (a) unauthorized Access, Use, Disclosure, modification, or destruction of Company's Electronic Protected Health Information or (b) unauthorized interference with system operations in Business Associate's Information Systems, of which Business Associate becomes aware. Business Associate will make the report in accordance with Section 13.1 above.

14. Termination of Addendum.

14.1. Right to Terminate for Breach. Company may terminate this Addendum and/or any other agreements or arrangements entered into between Company and Business Associate if Company determines, in its sole discretion, that Business Associate has materially breached any provision of this Addendum. Company may exercise its right

to terminate this Addendum and/or any other agreement or arrangement by providing Business Associate written notice of termination outlining the breach that provides the basis for the termination. Any such termination will be effective immediately or at such other date specified in Company's notice of termination.

14.2. Sanctions and Mitigation. Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a Use or Disclosure of Protected Health Information by Business Associate in violation of the requirements of this Addendum.

14.3. Return or Destruction of Protected Health Information upon Termination of Agreement. Upon termination, cancellation, expiration, or other conclusion of Agreement, Business Associate will, if feasible, return to Company or destroy all Protected Health Information, in whatever form or medium (including in any electronic medium under Business Associate's custody or control), that Business Associate created or received for or from Company, including all copies of and any data or compilations derived from and allowing identification of any Individual who is a subject of the Protected Health Information. Business Associate will complete such return or destruction as promptly as possible, but not later than 30 days after the effective date of the termination, cancellation, expiration, or other conclusion of Agreement. Business Associate will identify any Protected Health Information that Business Associate created or received for or from Company that Company agrees cannot feasibly be returned to Company or destroyed, and will limit its further Use or Disclosure of that Protected Health Information to those purposes that make return or destruction of such Protected Health Information infeasible. Within such 30 days, Business Associate will certify under oath in writing to Company that such return or destruction has been completed, will deliver to Company the identification of any Protected Health Information for which return or destruction is infeasible and, for such Protected Health Information, will certify that it will only Use or Disclose such Protected Health Information for those purposes that make return or destruction infeasible.

14.4. Continuing Privacy Obligation. Business Associate's obligation to protect the privacy of the Protected Health Information it created or received for or from Company will be continuous and survive termination, cancellation, expiration, or other conclusion of Agreement.

14.5. Other Obligations and Rights. Business Associate's other obligations and rights and Company's obligations and rights upon termination, cancellation, expiration, or other conclusion of any other agreement between Company and Business Associate will be those set forth in such agreement.

15. Indemnity. Business Associate will indemnify and hold harmless Company and any Company affiliate, officer, director, employee, or agent from and against any claim, cause of action, liability, damage, cost, or expense, including attorneys' fees and court or proceeding costs, arising out of or in connection with any non-permitted Use or Disclosure of Protected Health Information or other breach of this Addendum by Business Associate or any subcontractor, agent, person, or entity under Business Associate's control.

15.1. Right to Tender or Undertake Defense. If Company is named a party in any judicial, administrative, or other proceeding arising out of or in connection with any non-permitted Use or Disclosure of Protected Health Information or other breach of this Addendum by Business Associate or any subcontractor, agent, person, or entity under Business Associate's control, Company will have the option at any time either to: (i) tender its defense to Business Associate, in which case Business Associate will provide qualified attorneys to represent Company's interests at Business Associate's expense; or (ii) undertake its own defense, choosing the attorneys, consultants, and other appropriate professionals to

represent its interests, in which case Business Associate will be responsible for and pay the reasonable fees and expenses of such attorneys, consultants, and other professionals.

- 15.2. Right to Control Resolution. Company will have the sole right and discretion to settle, compromise, or otherwise resolve any and all claims, causes of actions, liabilities, or damages against it, notwithstanding that Company may have tendered its defense to Business Associate. Any such resolution will not relieve Business Associate of its obligation to indemnify Company under Section 15 of this Addendum.

16. General Provision

- 16.1. Definitions. The capitalized terms not defined herein have the meaning set forth in the HIPAA Rules and the GLBA Regulations.
- 16.2. Amendment to Addendum. Upon the effective date of any final regulation or amendment to final regulation promulgated by the U.S. Department of Health and Human Services with respect to Protected Health Information or by an insurance commissioner with jurisdiction over Company that implements Gramm-Leach-Bliley Act Title V so as to affect Company's relationship with Business Associate with respect to Nonpublic Personal Financial Information, this Addendum will automatically amend such that the obligations they impose on Business Associate remain in compliance with these regulations.
- 16.3. Conflicts. The terms and conditions of this Addendum will override and control any conflicting term or condition of any other agreement entered into between Company and Business Associate. All nonconflicting terms and conditions of any other agreement entered into between Company and Business Associate remain in full force and effect.
- 16.4. Captions. The captions of the sections of this Addendum are for convenience only and shall not control or affect the meaning or construction of any of the provisions of this Addendum.
- 16.5. Choice of Law. This Addendum shall be governed by and interpreted in accordance with the laws of the Commonwealth of Pennsylvania, not including, however, the rules relating to the choice or conflict of laws.
- 16.6. No Third-Party Beneficiaries. No third-parties are intended to benefit from this Addendum and no third-party beneficiary rights will be implied from anything contained in this Addendum.
- 16.7. Interpretation. Any ambiguity in this Addendum will be resolved in favor of a meaning that permits the Company to comply with the HIPAA Rules and the GLBA Regulations.
- 16.8. Notices. Unless otherwise provided herein, notices will be deemed given when properly addressed to the party's Legal Department, upon the date of receipt if hand-delivered, or four (4) business days after deposit in the U.S. mail if mailed by registered or certified mail, postage prepaid, or one (1) business day after deposit with a national overnight courier for next business day delivery, or upon the date of electronic confirmation of receipt of a facsimile transmission.
- 16.9. Non-Waiver. A failure of either Company or Business Associate to enforce any term, provision, or condition of this Addendum, or to exercise any right or option herein, shall in no way operate as a waiver thereof, nor shall any single or partial exercise preclude any other right or option herein. In no way whatsoever shall a waiver of any term, provision, or condition of this Addendum be valid unless in writing, signed by the waiving party, and only to the extent set forth in such writing.

- 16.10. Addendum Drafted by All Parties. This Addendum is the result of arm's length negotiations between Company and Business Associate, and shall be construed to have been drafted by all parties such that any ambiguities in this Addendum shall not be construed against either party.
- 16.11. Independent Relationship. None of the provisions of this Addendum are intended to create, nor will they be deemed to create any relationship between Company and Business Associate other than that of independent parties contracting with each other as independent contractors solely for the purposes of effecting the provisions of this Addendum.
- 16.12. Successor and Assigns. This Addendum will inure to the benefit of and be binding upon the successors and assigns of Company and Business Associate. However, this Addendum is not assignable by any party without the prior written consent of the other party.

AMENDMENT TO BUSINESS ASSOCIATE AGREEMENT

This amendment (“Amendment”), effective February 17, 2010, amends and is made a part of the Standard Broker Acknowledgement Form (“Agreement”) between the Standard Broker identified in Section 1.1 of the Agreement (“Business Associate”) and Capital BlueCross, Capital Advantage Insurance Company and/or Keystone Health Plan Central Company (collectively “Company”).

NOW, THEREFORE, intending to be legally bound hereby, Company and Business Associate agree to the terms of this Amendment in order to bring the BA Agreement into compliance with the Health Information Technology for Economic and Clinical Health Act, as incorporated in the American Recovery and Reinvestment Act of 2009 (the “HITECH Act”).

1. **Definitions.** Unless otherwise defined herein, capitalized terms have the meanings assigned to them in the BA Agreement. The term “HIPAA Rules” will include any amendments to the “HIPAA Rules” as defined in the BA Agreement.
2. **Permitted Uses and Disclosures.** Business Associate shall Use or Disclose Protected Health Information only as permitted by the HITECH Act and the HIPAA Rules. Business Associate shall Use, Disclose, or request Protected Health Information in a Limited Data Set if practicable. Business Associate shall determine what constitutes the minimum necessary Protected Health Information to accomplish the intended purpose of any Disclosure and shall not rely on a request from a third party being for the minimum necessary, except as allowed by amendments to the HIPAA Rules that interpret the HITECH Act.
3. **Security Rule Compliance.** Business Associate shall comply with applicable provisions of the Security Rule (45 C.F.R. §§ 164.308, 310, 312, 316), as required by the HITECH Act, including developing and implementing written information security policies and procedures and otherwise meeting the Security Rule documentation requirements.
4. **Breach of Unsecured Protected Health Information.** Business Associate shall report, following discovery and without unreasonable delay, any incident that would constitute a “Breach” of “Unsecured Protected Health Information,” as these terms are defined by the HITECH Act and any implementing regulations and guidance without regard to whether the “Breach” poses a significant risk of financial, reputational, or other harm to an individual. Business Associate shall make an initial report to Company’s Legal Department not more than 24 hours after Business Associate learns of the Breach. Business Associate shall cooperate with Company in investigating the Breach and in meeting the Company’s obligations under the HITECH Act and any other security breach notification law. Business Associate shall report:
 - A. The identity of each individual (if known) whose Unsecured Protected Health Information was, or is reasonably believed by Business Associate to have been, accessed, acquired, Used, or Disclosed as a result of the Breach.
 - B. The nature of the non-permitted access, Use, or Disclosure, including the date of the Breach and the date the Breach was discovered;

- C. The Protected Health Information accessed, Used, or Disclosed as a result of the Breach (e.g., full name, social security number, date of birth, etc.);
- D. The identity of the person who made the non-permitted access, Use, or Disclosure and of the person who received the non-permitted Disclosure;
- E. A description of each corrective action Business Associate took or will take to prevent further non-permitted access, Uses, or Disclosures;
- F. A description of what Business Associate did or will do to mitigate any deleterious effect of the non-permitted access, Use, or Disclosure; and
- G. Such other information, including a written report, as Company may reasonably request.

5. **Business Associate Termination of BA Agreement.** Business Associate may terminate the BA Agreement if it determines, after reasonable consultation with Company, that Company has breached any material provision of the BA Agreement and, upon written notice to Company of the breach, Company fails to cure the breach within sixty (60) days after receipt of the notice. Business Associate may exercise this right to terminate the BA Agreement by providing Company written notice of termination, stating the failure to cure the breach that provides the basis for the termination. Any termination will be effective upon a date on which the parties reasonably agree. Business Associate may report the breach to the U.S. Department of Health and Human Services, provided that (a) Business Associate reasonably determines that Company has breached the terms of the BA Agreement, (b) Company has not cured the breach within the cure period described above, and (c) Business Associate and Company mutually determine that termination of the Agreement is not feasible.
6. **Conflicts.** The terms and conditions of this Amendment will override and control any conflicting term or condition of the BA Agreement and any agreement to which the BA Agreement applies. All nonconflicting terms and conditions of the BA Agreement and any agreement to which the BA Agreement applies remain in full force and effect.
7. **Binding Effect.** Business Associate may reject the terms of this Amendment by providing written notice of rejection to Company's Legal Department within thirty (30) days of receiving this Amendment. If Business Associate fails to provide such notice, Business Associate will be deemed to have agreed to this Amendment pursuant to the "Amendment to Agreement" provision of the BA Agreement. This Amendment will then be binding on Business Associate on the effective date named above without signature or other action by Business Associate. Business Associate acknowledges that Company will be required to terminate the BA Agreement and any underlying agreement upon Business Associate's rejection of this Amendment.