

Agent Appointment

For
American Community
Mutual Insurance Company





*Thank you for your interest in
American Community
Mutual Insurance Company.
We look forward to the opportunity
to be associated with you.*

Before taking any application for an American Community policy, you must:

- Complete the Agent Appointment paperwork.
- Carry Errors and Omissions Coverage.
- Attend a product review.
- Be appointed by American Community to write life and health insurance.

Instructions

The Agent Appointment must be reviewed by your American Community Marketing Director.

1. Complete the Agent Appointment Profile. Answer all questions.
2. Enclose a copy of your current life and health license (you must have both).
3. Enclose proof of active Errors and Omissions Coverage (required to receive a contract with American Community).
4. Complete the Assignment of Commissions form if your commissions are to be paid to someone other than yourself.
5. Complete the Production Requirements page.
6. Complete the W-9 form only if you are assigning to another agent or agency (if also contracting an agency, complete a separate W-9 form for the agency).
7. Complete the Agent Agreement Signature page. For an agency, complete the reverse side of the Agent Agreement Signature page.
8. Keep the Agent Agreement for your records.
9. Return the Agent Appointment Profile, copy of licenses, copy of Errors and Omissions coverage, Assignment form, Production Requirements form, W-9(s), and the Agent Agreement Signature page to your Marketing Director. A countersigned copy of the signature page along with your agent code number and the appropriate commission schedule will be mailed to you upon Home Office approval.
10. Attend a product review before writing business with American Community Mutual Insurance Company.

Specific Instructions

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

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

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

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

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

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

Part I—Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box.

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

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

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

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

How to get a TIN. If you do not have a TIN, apply for one immediately. To apply for an SSN, get **Form SS-5**, Application for a Social Security Card, from your local Social Security Administration office. Get **Form W-7**, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN or **Form SS-4**, Application for Employer Identification Number, to apply for an EIN. You can get Forms W-7 and SS-4 from the IRS by calling 1-800-TAX-FORM (1-800-829-3676) or from the IRS's Internet Web Site at www.irs.gov.

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

such payments until you provide your TIN to the requester.

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

Part II—For U.S. Payees Exempt From Backup Withholding

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

If you are exempt from backup withholding, you should still complete this form to avoid possible erroneous backup withholding. Enter your correct TIN in Part I, write "Exempt" in Part II, and sign and date the form.

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

Part III—Certification

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

For a joint account, only the person whose TIN is shown in Part I should sign (when required).

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

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

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

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

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

Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to give your correct TIN to persons who must file information returns with the IRS to

report interest, dividends, and certain other income paid to you, mortgage interest you paid, the acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA or MSA. The IRS uses the numbers for identification purposes and to help verify the accuracy of your tax return. The IRS may also provide this information to the Department of Justice for civil and criminal litigation, and to cities, states, and the District of Columbia to carry out their tax laws.

You must provide your TIN whether or not you are required to file a tax return. Payers must generally withhold 31% of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to a payer. Certain penalties may also apply.

What Name and Number To Give the Requester

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

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

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

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

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

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



AMERICAN COMMUNITY MUTUAL INSURANCE COMPANY

APPLICATION FOR AGENT APPOINTMENT

All Questions Must Be Completed

Please Print or Type

(If agent and agency are being appointed, complete separate forms.)

Individual: Personal Data

Full Name _____ Last First Middle

Business Name _____

(Check box for preferred mailing address, but fill in both addresses.)

Resident Address _____ Street City County State Zip+4

Business Address _____ Street City County State Zip+4

Resident Phone () _____ Business Phone () _____

Fax # () _____ E-mail Address _____

Date of Birth ____/____/____ Social Security # _____

License # _____ Expiration Date _____

List states in which you are currently licensed _____

List companies appointed with: _____

Referred by: _____ How long have you been an agent or broker? _____

Identify all family members who are appointed with American Community: _____

Agency Data: Complete only if an Agency is being contracted.

Agency Name _____

Address _____ Street City County State Zip+4

Tax Identification # _____ License # _____ Expiration Date _____

List companies appointed with: _____

How long have you been an agency? _____

Type of agency: Corporation _____ Partnership _____ Sole Proprietor _____ d/b/a _____

Who is the appointed agent officer with the Department of Insurance? _____

Licensing Data: Enclose a current copy of each state agent/agency insurance license (life and health) under which you will be selling American Community products.

Have you ever been contracted with American Community? Yes No

If yes, when? _____

Why was contract terminated? _____

Product Review Date _____

Commission Information

Are commissions to be assigned? Yes No

If yes, complete the Assignment of Commissions form on the following page.

General Information

Please respond to all questions for you personally and any organization over which you have exercised control. If you answer "Yes" to any questions other than the first one, you must attach an additional sheet explaining all relevant information and include supporting documents.

1. Do you have Errors & Omissions (E&O) coverage? Yes No
(If no, do not submit application for contract; if yes, submit proof of current coverage)
2. Within the past 10 years, has any E&O carrier denied, paid claims on, or canceled your coverage? Yes No
3. Are you involved in any pending or current litigation, investigations or E&O claims? Yes No
4. Within the past 10 years, has a bonding or surety company denied, paid out on, or revoked a bond for you? Yes No
5. Is there any reason why you cannot secure a bond? Yes No
6. With the exception of routine traffic violations, have you EVER been convicted of, or plead guilty or nolo contendere (no contest) in a court to:
 - (a) a misdemeanor, or Yes No
 - (b) a felony Yes No

(Such convictions will not automatically disqualify agent candidates. The seriousness and nature of the crime, date of conviction and rehabilitation will be considered.)

7. Have you ever been discharged or permitted to resign from your employment because you were accused of:
 - (a) violating investment-related or insurance-related statutes, regulations, rules, or industry standards of conduct? Yes No
 - (b) fraud or the wrongful taking of property? Yes No
 - (c) violating company rules? Yes No
8. Do you have any outstanding unpaid indebtedness to an insurance company or general agent? Yes No
9. Have you **EVER** had your insurance license suspended, revoked or terminated? Yes No
10. Have you **EVER** had a securities license or registration suspended or revoked? Yes No
11. Within the past 10 years, have you ever had a complaint filed against you that resulted in a fine, penalty, cease or desist order, censure or consent order? Yes No
12. Are there any outstanding or pending judgments, liens, or tax liens against you? Yes No
13. Have you ever defaulted on a (a) promissory note, or (b) any other debt, including consumer or credit card debt? Yes No
14. Within the past 5 years, have you ever initiated bankruptcy proceedings or been declared bankrupt? Yes No
(If yes, attach a copy of court papers.)
15. Professional Designations: CLU CHFC LUTC RHU CPCU Other _____

I hereby certify that my answers to the questions contained in this application are true and correct. I acknowledge that American Community has informed me that it may conduct investigative reports on agents for licensing purposes, initial and renewal state appointments, and at any time American Community at its discretion, deems it necessary to conduct background investigations. I expressly authorize American Community to conduct these investigations and authorize all persons and entities (including past and present employers) to provide American Community all requested information. I release from liability all persons and entities which supply said information to American Community and agree to hold American Community harmless from any liability for conducting this investigation and/or using said information. I authorize American Community to use these investigative reports and to provide these reports and any other pertinent information to all third parties where the third parties' legal interests and/or obligations are involved. I also authorize American Community to distribute any financial, business, legal, tax or work performance history regarding me that it receives from third parties or which is generated by American Community's data source that is not part of the investigative report, to all third parties including but not limited to agents or agencies that assume my debt balance responsibilities. I certify that I have reviewed this application and acknowledge that this application will form a part of my agent agreement with American Community. I further understand that if any information provided in this application is found to be incorrect or incomplete, it may be grounds for rejecting this application or for termination of my contract, all in the sole discretion of American Community.

I have completed all necessary forms and submitted all fees and a copy of my current life and health license. I understand American Community will accept business from me upon completion and acceptance of the Agent Appointment Packet from the Home Office.

Signature of Applicant

Date

The Brokerage General Agent / General Agent accepts all responsibility for the applicant agent and sponsors him as a Writing Agent for American Community.

Brokerage General Agent / General Agent Signature
(Leave blank if not applicable.)

Date

Brokerage General Agent /
General Agent Name (Print)

Marketing Director Signature

Date

HOME OFFICE USE ONLY		
Type: <input type="checkbox"/> Writing Agent	<input type="checkbox"/> General Agent	<input type="checkbox"/> Broker General Agent
New Business _____		
Effective Date: _____	Ind Profile _____	Group Profile _____
Assign to Code # _____	Ind Profile _____	Group Profile _____
GA/BGA Code# _____	Ind Profile _____	Group Profile _____
Non-Resident State(s) _____		

Assignment Form

For good and valuable consideration I, _____ assign and transfer all policies, commissions and service fees which become due me from American Community Mutual Insurance Company to _____ (Assignee)

Select Option A or Option B

[] Option A - business written from the current date forward.

I understand this Assignment will not affect the policies and payment of commissions and service fees on policies issued prior to the effective date of this Assignment. Prior policies will remain mine and commissions and service fees on the prior policies will continue to be paid to me.

[] Option B - business written in the past, present and future.

I understand this Assignment transfers all my policies whenever written and payment of commissions and service fees on those policies to the Assignee, except policies written while another Assignment was in effect.

I reserve the right to revoke this Assignment on thirty (30) days written notice to the Assignee with a copy to American Community Mutual Insurance Company. Policies written and commissions and service fees earned on those policies written while this Assignment is in effect, and prior to the effective date of revocation, will remain the property of the Assignee unless a written release from the Assignee is received.

Revocation of this Assignment shall not be binding on American Community Mutual Insurance Company until both of the following occur:

- a) American Community receives a copy of the written revocation; and
b) the thirty (30) days notice period to the Assignee expired.

I agree that this Assignment shall not relieve me of any obligations imposed on me by any Agent Contract, nor shall it limit or impair the rights of American Community Mutual Insurance Company under such Agent Contract.

Signed at _____ on _____
(City/State) (Date)

Witness

Assignor's Signature (Agent)

Assignor's Name (Please Print)



To: American Community Agents
Subject: **Production Requirements**

Welcome! We at American Community appreciate the opportunity to be associated with you and your agency.

We assume that you believe one or more of our products will be of value to your clients.

In order to maintain your contract with American Community, we have minimum production requirements for new business as indicated in the attached Commission Schedule which may be revised from time to time as indicated in a revised Commission Schedule. We believe this is a reasonable requirement of any Agent who is contracted to market American Community products. Failure to meet production requirements may result in termination.

Please feel free to contact us anytime you have a question regarding our products or service.

Agent/Agency Signature

Date

Marketing Director Signature

Date



To: American Community General and Brokerage General Agents
Subject: **Production Requirements**

Welcome! We at American Community appreciate the opportunity to be associated with you and your agency.

We assume that you believe one or more of our products will be of value to your clients.

In order to maintain your contract with American Community, we have minimum production requirements for new business as indicated in the attached Commission Schedule which may be revised from time to time as indicated in a revised Commission Schedule. We believe this is a reasonable requirement of any General or Brokerage General Agent who is contracted to market American Community products. Failure to meet production requirements may result in termination.

Please feel free to contact us anytime you have a question regarding our products or service.

Agent/Agency Signature

Date

Marketing Director Signature

Date



AGENT COMMISSION DIRECT-DEPOSIT AUTHORIZATION

Agent Name: _____ Agent Code No: _____

Payee Name: _____ Payee Code No: _____
(if commissions are payable to an agency or corporation)

Please select one of the following:

Mid Month Commissions Deposit (twice a month) _____

Once a Month Commission Deposit _____

New Applicant: _____ Change to Account Information: _____

I (we) authorize American Community Mutual Insurance Company to deposit any commission due me to the Financial Institution account listed below. I understand that at any time my account has a debit balance, commissions will not be deposited until the balance is over \$100.00.

Financial Institution Name _____

Street Address _____

City _____ State _____ Zip _____

Financial Institution Phone Number _____

Select one: _____ Checking Account No: _____

_____ Savings Account No: _____

This authority is to remain in effect until such time American Community Mutual Insurance Company and the Financial Institution have received written notification from me of its termination, in such a manner as to allow American Community Mutual Insurance Company and the Financial Institution a reasonable opportunity to act on it.

Signature _____ Date _____

Please attach a voided check if you have chosen for your commissions to be deposited into a checking account or attach a copy of a deposit slip (along with the routing number of the financial institution) if you have chosen for your commissions to be deposited into a savings account.

Commission statements are available on our website at www.american-community.com. Log on through For Agents, then click on Commissions.

39201 Seven Mile Road, Livonia, MI 48152-1094
(800) 233-3444 (734) 591-9000 (734) 591-4628 (fax)
www.american-community.com

AMERICAN COMMUNITY MUTUAL INSURANCE COMPANY

Agent Agreement Signature Page

American Community Mutual Insurance Company (herein called "American Community", "We", or "Us" as the case may be) and the undersigned Person (hereinafter called "Agent", "You", "Your" or "Yourself"), in consideration of Your undertaking to sell American Community's products and provide customer service for the consideration as stated in the Agent Agreement (hereinafter called "Agreement"), the Signature Page and Commission Schedule(s) attached hereto and made a part hereof, mutually agree to the terms of said Agreement and that the same shall constitute the entire Agreement between American Community and the Agent or Agency and cannot be modified by any prior or subsequent verbal promise or statement, by whomever made, and no supplement, revision or amendment to this Agreement shall be binding upon American Community until it has been approved and countersigned in writing upon behalf of American Community at the Home Office by persons appointed by American Community.

The parties agree that this Agreement shall supersede any and all Agreements previously entered into between them.

I hereby certify that the Agreement attached to the original application for agent appointment which I have signed has not been altered, modified or changed by me in any manner and that I agree to be bound by the provisions of that Agreement.

Agent Signature _____ Date _____
Agent Name (please print) _____
Marketing Director _____ Date _____

To be completed by Home Office - Agent Agreement is not valid unless this section is completed by the Home Office.

FOR HOME OFFICE USE ONLY

AMERICAN COMMUNITY MUTUAL INSURANCE COMPANY

Michael E. Tobin

Michael E. Tobin, President & CEO

Commission Schedule Form No. _____

Producer Code _____

Effective date of this agreement is _____

This Agreement will be of no force or effect unless countersigned below by an authorized employee of American Community.

AMERICAN COMMUNITY MUTUAL INSURANCE COMPANY

COUNTERSIGNED _____ Date _____

AMERICAN COMMUNITY MUTUAL INSURANCE COMPANY

Agency Agreement Signature Page

American Community Mutual Insurance Company (herein called "American Community", "We", or "Us" as the case may be) and the undersigned Person (hereinafter called "Agent", "You", "Your" or "Yourself"), in consideration of Your undertaking to sell American Community's products and provide customer service for the consideration as stated in the Agent Agreement (hereinafter called "Agreement"), the Signature Page and Commission Schedule(s) attached hereto and made a part hereof, mutually agree to the terms of said Agreement and that the same shall constitute the entire Agreement between American Community and the Agent or Agency and cannot be modified by any prior or subsequent verbal promise or statement, by whomever made, and no supplement, revision or amendment to this Agreement shall be binding upon American Community until it has been approved and countersigned in writing upon behalf of American Community at the Home Office by persons appointed by American Community.

The parties agree that this Agreement shall supersede any and all Agreements previously entered into between them.

I hereby certify that the Agreement attached to the original application for agent appointment which I have signed has not been altered, modified or changed by me in any manner and that I agree to be bound by the provisions of that Agreement.

Signature of Agency Representative

Date

Agency Representative (please print)

Agency Name

Marketing Director

Date

To be completed by Home Office - Agent Agreement is not valid unless this section is completed by the Home Office.

FOR HOME OFFICE USE ONLY

AMERICAN COMMUNITY MUTUAL INSURANCE COMPANY



Michael E. Tobin, President & CEO

Commission Schedule Form No. _____

Producer Code _____

Effective date of this agreement is _____

This Agreement will be of no force or effect unless countersigned below by an authorized employee of American Community.

AMERICAN COMMUNITY MUTUAL INSURANCE COMPANY

COUNTERSIGNED

Date

Agent Agreement

For
American Community
Mutual Insurance Company





(The following provisions shall be given full force and effect even though the signatures of the parties precede these provisions.)

AGENT AGREEMENT

This Agreement is entered into by American Community and the individual, corporation or partnership named on the Signature Page as the agent or agency, and effective as of the Effective Date shown on the Signature Page. In consideration of the stipulations and covenants contained in the Agreement, You and American Community mutually agree as follows:

1. General Covenants and Definitions.

- a. You shall be duly licensed by the applicable state insurance department in any jurisdiction where You sell American Community products. You shall operate Your business in strict conformance with all applicable state and federal laws and regulations and in conformity with the rules and regulations of American Community.
- b. You agree to maintain an appropriate level of Errors & Omissions coverage with a reputable insurer. You will submit proof of current coverage to American Community at the time of appointment and periodically as requested by Us.
- c. You agree to be bonded and insured in such manner as We may, in our discretion, require.
- d. For the purposes of this Agreement, "Writing Agents" shall mean Your employees, any agent, subagent, producer, representative or broker You obtain or solicit who becomes a contracted agent or broker with American Community, and any agent or broker subsequently appointed or obtained by any agent or broker appointed by American Community directly or indirectly through You or any agent or broker network with which You have contracted.

2. Appointment and Relationship.

- a. American Community appoints You for the purpose of soliciting applications for products as listed in the Commission Schedule and to service policyholders, which includes, but is not limited to, customer service, claims management, and grievance resolution. American Community, in its sole discretion and as long as this Agreement is in force, shall determine what American Community product(s) You and/or Your Writing Agents have the right to solicit, sell, and service which shall be listed in the Commission Schedule or revised Commission Schedule (hereafter referred to as the "Commission Schedule"). The soliciting of applications and the servicing of policyholders shall be subject to the provisions and requirements of this Agreement.
- b. You shall only perform the services agreed upon under this Agreement in states where You are lawfully licensed and appointed to do so, and where We are legally authorized to transact business.
- c. At all times You shall be deemed an independent contractor and nothing contained in this Agreement shall be construed to create the relationship of employer and employee or master and servant. As legally licensed, You shall be free to exercise Your judgment as to the persons from who You will solicit insurance and the time and place of solicitation, but such solicitation shall be conducted in strict conformance with all applicable laws and regulations. You shall be responsible for advising persons proposed for insurance of the available insurance coverages and options and the appropriateness of any coverage and American Community assumes no responsibility for such advice.

3. Delivery.

- a. You shall read and become familiar with the provisions of all insurance policies and attend American Community sponsored training sessions, as deemed necessary by Us.
- b. You or Your Writing Agent shall make sure all questions are clearly understood by the applicant and that the applicant's answers are correctly recorded on all applications for insurance.

- c. You shall make available to Us all information which comes into Your possession or knowledge at anytime concerning the underwriting of a risk.
- d. Delivery of a policy may be made only if (1) the proposed insured at the time of delivery is, to the best of Your knowledge and belief, in as good a condition of health and insurability as is stated in the application for such policy; (2) the first premium has been fully paid; and (3) sixty (60) days has not elapsed from the date said policy was issued by American Community.
- e. A policy not so delivered shall be immediately returned to American Community so that it is physically received by American Community no later than thirty (30) days after it is determined the policy is not taken.
- f. After the point of sale, You shall continue to promptly and appropriately respond to policyholder service needs, which may include, but not be limited to, answering product related questions, facilitating policy changes or upgrades, and/or assisting with beneficiary designations.

4. Settlement.

- a. Only the initial premium on applications procured by or through You may be collected by You. All premium settlements shall be by federal funds wire or by check payable to American Community, received subject to collection. Premium payments shall not be collected by You in cash. All premiums received by You or Your Writing Agents are received as a fiduciary trust, and all premium settlement, entire or partial, taken with an application or taken upon delivery of the policy, shall be immediately forwarded to Us.
- b. You shall be responsible to American Community for all business done by or entrusted to You, or Your Writing Agents or by or on behalf of licensed agents appointed by American Community whose commissions and service fees are assigned to You; and no such person shall have any claim whatsoever against American Community for commission and service fees or otherwise, except through contractual agreements made with American Community.

5. Limitations.

- a. You and Your Writing Agents are not authorized, and are expressly forbidden, to bind American Community by any promise or agreement, to incur any debt, expense or liability in its name or account, waive forfeiture, or to make, waive or alter any application or provision of any policy issued by Us.
- b. Except for that provided by American Community, You shall have no authority to place any advertisement regarding American Community or our products in any newspaper, publication of any kind, radio, television, the internet, telephone, or other media, nor issue any circulars, leaflets, booklets, depictions, illustrations, business cards, stationary, envelopes, form letters, billboards, or printed matter of any kind or nature, or use American Community's name, logo and/or trademark on any material or supplies unless such advertising is in accord with applicable state insurance regulations or guidelines on advertising and the advertising has been pre-approved by American Community. You shall have no power other than as expressly stipulated in this Agreement. You shall not alter or change any American Community produced advertising. You shall not use any title other than that of "Brokerage General Agent", "General Agent" or "Agent", whichever title corresponds with Your license with Us, in advertising materials or in any other form or fashion, without the written permission of an Officer of American Community.
- c. You and Your Writing Agents shall not institute legal proceedings in the name of American Community unless such action shall have been approved in advance, in writing, by Us.
- d. Neither You nor any of Your Writing Agents shall, under any circumstances whatsoever, pay or allow, or offer to pay or allow, any rebate of premium in any manner whatsoever, directly or indirectly, and shall not violate any of the laws relating to the subject of insurance in the state in which You or any of Your Writing Agents may be soliciting applications or delivering policies.

6. Privacy

- a. In the course of conducting the services laid out in this Agreement, We may allow You and/or Your Writing Agents access to certain nonpublic personal and confidential information relating to Our insureds and/or prospective insureds. Each Party acknowledges that the information to be provided shall include confidential and private nonpublic personal information relating to Our insureds and/or prospective insureds and may include, but may not be limited to, information concerning

the insured's and/or prospective insured's name, address, birthdate, phone number, financial information, or Social Security number (hereinafter referred to as "Nonpublic Personal Information"). Each Party hereby acknowledges that state and/or federal law protects the confidentiality of some or all of the Nonpublic Personal Information.

- b. You agree to keep all Nonpublic Personal Information private and confidential and not disclose any Nonpublic Personal Information outside Your business, except as necessary to Your legal counsel, consultants, affiliates, and regulatory or judicial authorities as required by law, without the insured's and/or prospective insured's prior written permission. You further agree that You will not disclose Nonpublic Personal Information to anyone within Your business other than to those officers, directors, employees, Writing Agents and representatives who need to know such information in connection with Your business relationship with Us, and who have been informed of Your obligations under this Agreement.
- c. The restrictions of Section 6, subsection (b) of this Agreement do not apply to information that (1) was in Your possession prior to receiving Nonpublic Personal Information from Us, or (2) is or later becomes generally available to the public through no fault of You; or (3) You develop internally, without reference or availability to Nonpublic Personal Information obtained from Us; or (4) You receive from a third party which it reasonably believes had the right to disclose the information; or (5) is permitted to be disclosed pursuant to applicable law.
- d. Except as otherwise specified herein, You may make any and all uses of Protected Health Information necessary to perform Your obligations under this Agreement. All other uses not authorized by this Section are prohibited. Moreover, You may disclose Protected Health Information for the purposes authorized by this Agreement only,
 - (i) to Your employees, subcontractors and Writing Agents, in accordance with Section 6, subsection (g), subparagraph (5),
 - (ii) as directed by Us, or
 - (iii) as otherwise permitted by the terms of this Agreement including, but not limited to, Section 6, subsection (e) below.
- e. Except as otherwise limited in this Agreement:
 - (1) You may use Protected Health Information for the proper management and administration of Your business or to carry out Your legal responsibilities.
 - (2) You may disclose Protected Health Information for the proper management and administration of Your business, provided that disclosures are required by law, or You obtain reasonable assurances from the person to whom the information is disclosed that it will remain confidential and used or further disclosed only as required by law or for the purpose for which it was disclosed to the person, and the person notifies You of any instances of which it is aware in which the confidentiality of the information has been breached.
 - (3) You may use Protected Health Information to provide Data Aggregation services to Us as permitted by 42 C.F.R.164.504(e)(2)(i)(B).
- f. In addition to using the Protected Health Information to perform the services set forth in this Agreement, You may de-identify any and all Protected Health Information provided that the de-identification conforms to the requirements of 45 C.F.R. 164.514(b), and further provided that We maintain the documentation required by 45 C.F.R. 164.514(b) which may be in the form of a written assurance from You. Pursuant to 45 C.F.R. 164.502(d)(2), de-identified information does not constitute Protected Health Information and is not subject to the terms of this Section.
- g. With regard to Your and/or Your Writing Agents' use and/or disclosure of Protected Health Information, You hereby agree to do the following:
 - (1) not use or further disclose Protected Health Information other than as permitted or required by this Agreement or as required by law.
 - (2) to use appropriate safeguards to prevent use or disclosure of the Protected Health Information other than as provided for by this Agreement.

- (3) to mitigate, to the extent practicable, any harmful affect that is known to You of a use or disclosure of Protected Health Information by You and/or Your Writing Agents in violation of the requirements of this Agreement.
 - (4) to report to Our designated Privacy Officer, in writing, any use and/or disclosure of the Protected Health Information that is not permitted or required by this Agreement of which You become aware within five (5) days of the discovery of such unauthorized use and/or disclosure.
 - (5) to ensure that any Writing Agent, including a subcontractor, to whom You provide Protected Health Information received from, or created or received by You on behalf of Us, agrees to the same restrictions and conditions that apply through this Section to You with respect to such information.
 - (6) to provide Us with access, at Our request and in the time and manner designated by Us, to Protected Health Information in a Designated Record Set in order to meet the requirements under 45 C.F.R. 164.524.
 - (7) to make any amendment(s) to Protected Health Information in a Designated Record Set that We direct or agree to pursuant to 45 C.F.R. 164.526 or the request of an Individual, and in the time and manner designated by Us.
 - (8) to make Your internal practices, books, and records relating to the use and disclosure of Protected Health Information received from, or created, or received by You on Our behalf, available to Us, or at Our request, to the Secretary of the Department of Health and Human Services, in a time and manner designated by either Us or the Secretary, for purposes of the Secretary determining Our compliance with the Privacy Rule.
 - (9) to document such disclosures of Protected Health Information and information related to such disclosures as would be required for Us to respond to a request by an Individual for an accounting of disclosures of Protected Health Information in accordance with 45 C.F.R. 164.528.
 - (10) upon prior written request, make available to Us during normal business hours at Your offices all records, books, agreements, policies and procedures relating to the use and/or disclosure of Protected Health Information for purposes of enabling Us to determine Your and/or Your Writing Agents' compliance with the terms of this Section.
 - (11) to disclose to Your subcontractors, Writing Agents or other third parties only the minimum Protected Health Information necessary to perform or fulfill a specific function required or permitted hereunder.
- h. With regard to the use and/or disclosure of Protected Health Information by You and/or Your Writing Agents, We hereby agree:
- (1) to inform You of any changes in the form of notice of privacy practices (the "Notice") that We provide to individuals pursuant to 45 C.F.R. 164.520, and provide You a copy of the Notice currently in use.
 - (2) to provide You with any changes in, or revocation of, permission by Individual to use or disclose Protected Health Information, if such changes affect Your permitted or required uses and disclosures.
 - (3) to notify You, in writing and in a timely manner, of any arrangements permitted or required by Us under 45 C.F.R. part 160 and 164 that may impact in any manner the use and/or disclosure of Protected Health Information by You under this Agreement, including, but not limited to, restrictions on use and/or disclosure of Protected Health Information as provided for in 45 C.F.R. 164.522 and agreed to by Us.
 - (4) that You may make any use and/or disclosure of Protected Health Information permitted under 45 C.F.R. 164.512 except uses or disclosure for research are not permitted without prior approval by Us.
- i. As provided for under 45 C.F.R. 164.504(e)(2)(iii), We may immediately terminate this Agreement, and any related agreements, if We make the determination that You and/or Your Writing Agents have breached a material term of this Section and You and/or Your Writing Agents either fails to cure the breach or a cure is not possible. We shall: (i) provide You with written notice of the existence of an alleged material breach; and (ii) afford You an opportunity to cure said alleged material breach upon mutually agreeable terms. Nonetheless, in the event that mutually agreeable terms cannot be achieved within five (5) days, You must cure said breach to Our satisfaction within thirty (30) days. Failure to cure in the manner set forth in this subsection is grounds for the immediate termination of this Agreement.

- j. If You make the determination that We have breached a material term of this Section, You may provide thirty (30) days notice of Your intention to terminate this Agreement. You agree, however, to cooperate with Us to find a mutually satisfactory resolution to the matter prior to terminating.
- k. Upon the event of termination pursuant to this Section, You agree to return or destroy all Protected Health Information pursuant to 45 C.F.R. 164.504(e)(2)(I) and all Nonpublic Personal Information, if it is feasible to do so. Prior to doing so, You further agree to recover any Protected Health Information and Nonpublic Personal Information in the possession of Your subcontractors or Writing Agents. If it is not feasible for You to return or destroy said Protected Health Information and Nonpublic Personal Information, You will notify Us in writing. Said notification shall include: (i) a statement that You have determined that it is infeasible to return or destroy the Protected Health Information and Nonpublic Personal Information in Your possession, and (ii) the specific reasons for such determination. You further agree to extend any and all protections, limitations and restrictions contained in this Section to Your use and/or disclosure of any Protected Health Information and Nonpublic Personal Information retained after the termination of this Agreement, and to limit any further uses and/or disclosures to the purposes that make the return or destruction of the Protected Health Information and Nonpublic Personal Information infeasible. If it is infeasible for You to obtain, from a subcontractor or Writing Agent any Protected Health Information and Nonpublic Personal Information in the possession of the subcontractor, or Writing Agent, You must provide a written explanation to Us and require the subcontractors and Writing Agents to agree to extend any and all protections, limitations and restrictions contained in this Section to the subcontractors' and/or Writing Agents' use and/or disclosure of any Protected Health Information and Nonpublic Personal Information retained after the termination of this Agreement, and to limit any further uses and/or disclosures to the purposes that make the return or destruction of the Protected Health Information and Nonpublic Personal Information infeasible.
- l. A reference in this Section to a section in the Privacy Rule means the section as in effect or as amended, and for which compliance is required.
- m. The Parties agree to take such action as is necessary to amend this Agreement from time to time as is necessary for Us to comply with the requirements of the Privacy Rule and the Health Insurance Portability and Accountability Act, Public Law 104-191 and any other applicable law.
- n. The respective rights and obligations of You and/or Your Writing Agents under this Section 6 shall survive the termination of this Agreement.
- o. Any ambiguity in this Section shall be resolved in favor of a meaning that permits Us to comply with the Privacy Rule and the Security Rule.
- p. The "Security Rule" means the Security Standards at 45 C.F.R. Parts 160 and 164, Subparts A and C. Commencing on the effective date of the Security Rule, any Protected Health Information that is transmitted via electronic media or maintained in electronic media by You and/or Your Writing Agents will be protected under standards and specifications no less stringent than those described in the Security Rule. In accordance with the Security Rule, You and/or Your Writing Agents will: (i) implement administrative, physical, and technical safeguards that protect the confidentiality, integrity, and availability of the electronic Protected Health Information that You and/or Your Writing Agents create, receive, maintain, or transmit on Our behalf; (ii) ensure that any agent (including a subcontractor) to whom You and/or Your Writing Agents provide such electronic Protected Health Information agrees to implement reasonable and appropriate safeguards to protect it; (iii) report to Us any security incident of which You and/or Your Writing Agents become aware; and (iv) authorize termination of this Agreement by Us if We determine that You and/or Your Writing Agent violated a material term of this Section 6.
- q. DEFINITIONS.
 - (1) "Designated Record Set" shall have the meaning set out in its definition at 45 C.F.R. 164.501, as such provision is currently drafted and as it is subsequently updated, amended, or revised.
 - (2) "Individual" shall have the same meaning as the term "individual" in 45 C.F.R. 160.103 and shall include a person who qualifies as a personal representative in accordance with 45 C.F.R. 164.502(g).
 - (3) "Privacy Officer" shall have the meaning as set out in its definition at 45 C.F.R. 164.530(a)(1) as such provision is currently drafted and as it is subsequently updated, amended or revised.
 - (4) "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 C.F.R. Part 160 and Part 164, Subparts A and E.

- (5) "Protected Health Information" shall have the meaning as set out in its definition at 45 C.F.R. 161.103, as such provision is currently drafted and as it is subsequently updated, amended or revised, limited to the protected health information created or received by You from or on behalf of American Community.
- (6) "Required By Law" shall have the same meaning as the term "required by law" in 45 C.F.R. 164.103.
- (7) "Secretary" shall mean the Secretary of the Department of Health and Human Services or his designee.
- (8) "Security Incident" shall have the same meaning as the term "security incident" in 45 C.F.R. 164.304, limited to security incidents that involve electronic PHI created or received by You and/or Your Writing Agents from or on behalf of American Community.

7. Discontinuance of Policy Forms or Products.

Without liability to You and/or Your Writing Agents, We may in our sole discretion, at any time and from time to time (1) retire and/or withdraw from any territory; (2) discontinue and/or withdraw any policy form or product in any territory without prejudice to our right to continue use of said form in any other territory; (3) discontinue and/or withdraw any policy form or product in all territories; and (4) resume the issuance or use of any policy form or product in any territory or territories at any time.

8. Assignment.

Neither this Agreement, nor any of Your rights under it, may be assigned, pledged or hypothecated, without the prior written consent of American Community. American Community does not assume any responsibility for, or guarantee the validity or sufficiency of, any assignment. No assignment shall be operative while any indebtedness to American Community remains unsatisfied and any such assignment shall be subject to any existing or future indebtedness of You to Us.

9. General Agent's Responsibility For Writing Agents.

- a. You are authorized to recruit and nominate Writing Agents in the states and for the products designated by American Community. We reserve the right to approve, assign, reassign and terminate any Writing Agent. You are free to contract individually with Your Writing Agents relative to the terms and conditions of their employment with You. However, We assume no responsibility for the enforcement, fulfillment or administration of the terms of obligations created by Your agreement. Further, wherein any provision of Your agreement between You and Your Writing Agents conflicts with this Agreement, Our Agreement shall always supercede and prevail.
- b. You shall investigate the background of each prospective Writing Agent, and ensure that they are duly licensed by the state in which they solicit, prior to recommending such person to represent American Community.
- c. You shall immediately and promptly notify Us upon learning any information which might affect any Writing Agent's insurance license, or agreement with You. Further, You shall immediately and promptly notify Us of any complaints or compliance matters regarding a Writing Agent and, upon request from Us, furnish a written recommendation or statement concerning the facts and appropriate course of action.
- d. You shall ensure all Writing Agents receive proper training on products they are authorized to sell, either by direct training by You or attendance at American Community sponsored training sessions. This includes notifying Writing Agents about American Community meetings and seminars and encouraging their attendance.

10. Brokerage General Agent's Additional Responsibility for Writing Agents.

- a. In addition to providing necessary training, You are responsible for assistance in producing quotes, if needed, and providing marketing material or other supplies.
- b. The Brokerage General Agent will assure that the benefit design of the product is properly communicated and the product is appropriately marketed.
- c. The Brokerage General Agent is responsible for submitting new business to American Community on behalf of their Writing Agents. The Brokerage General Agent will oversee that the writing agent has the employer and employees complete the appropriate applications thoroughly and accurately. If additional information is needed by the underwriting department, the writing agent will assist in collecting this information.

- d. To maintain the Brokerage General Agent Commission level, minimum production requirements outlined in the Commission Schedule, must be satisfied.

11. Liability.

- a. You shall be liable, with Your Writing Agents, to American Community for the payment of all monies, including any advances or liabilities due and/or owed to American Community, including any affiliated entity of American Community, by You or Your Writing Agents. Liabilities due and/or owed include any advances or liabilities under this Agreement and Your Writing Agent's contract; liabilities created by Your Writing Agent's misfeasance and/or malfeasance concerning American Community's business and any other amount due under a contract, agreement or arrangement of any kind between said Writing Agents and American Community. The determination of the amount of any liabilities or advances due and/or owed shall be at the sole discretion of American Community. The parties hereto agree that American Community retains the absolute and unilateral right to settle and resolve all claims or causes of action, in its sole discretion, raised or asserted by any person, concerning actions by You, or Your Writing Agents. Your liability shall not be contingent on Your input or participation or notice of or concerning any such claims or assertions. Such monies due from You shall be debited on the books of American Community with the amount of such obligation, when the same is due and unpaid by You or Your Writing Agents. On demand, You shall promptly pay American Community the amount of such debt. Any such debt, together with interest thereon at the rate of 1 1/2% per month or the maximum legal rate, whichever is less, or other liability owed by You to American Community may be set off by American Community, at any time, against any sums due from American Community to You. You grant to American Community a first lien on monies due to You from American Community for the satisfaction of any such debt or liability.
- b. You shall indemnify, defend and hold harmless American Community from and against all fees, expenses, costs and demands resulting from litigation growing out of any negligence, unauthorized transaction, action or inaction by You or Your Writing Agents, or others by or on behalf of licensed agent appointed by American Community whose commissions are assigned to You. You further acknowledge that this obligation shall survive the termination of this agreement.

12. Notices.

Any notice or demand required or permitted to be given under this Agreement shall be in writing and shall be deemed effective (unless this Agreement provides for a different period of time) upon the personal delivery thereof, or if mailed, forty-eight hours after having been deposited in the United States mails, postage prepaid, or sent by any electronic means for which confirmation of receipt can be shown. If the notice is to American Community, it shall be sent to its then principal place of business to the attention of: Senior Vice President and Chief Financial Officer. If the notice is to You, it shall be sent to the address set forth in this Agreement. Either party may change the address to which such notices are to be addressed by giving the other party notice in the manner herein set forth.

13. Commissions.

Unless otherwise indicated in the Commission Schedule:

- a. The Writing Agent's commission shall be paid directly to the Writing Agent, unless assigned elsewhere. The commission listed in the Agent's Commission Schedule is the compensation the Writing Agent shall receive. The General Agent's commission shall be paid directly to the General Agent. The commission listed in the General Agent's Commission Schedule is the compensation the General Agent shall receive.
- b. First year and renewal commissions shall be fully vested to You as they accrue on a monthly basis as outlined in the contract or the vesting schedule in the Group Commission Schedule.
- c. We shall pay You the commissions computed on the commissionable premiums paid to, received and accepted by Us on applications procured by You in accordance with this Agreement at the rate and under the conditions as set forth in the Commission Schedule(s) referred to on the signature page.
- d. No commissions will be payable on premiums paid in advance until after the due dates of the respective premiums so paid in advance, and then only if the policy is in force and effect on such due date.
- e. We reserve the right, with advance written notice, notwithstanding the provision of Section 16 hereof, to revise the first year or renewal commission rates, service fees or conditions on any one or all of the policy forms or schedules, including in-force policies and new business, at any time at our sole discretion, but such revision shall apply only to first year and renewal commissions vesting thereafter.

- f. If any insurance procured hereunder is subsequently converted to, or replaced by, some other form of policy, the commissions payable, if any, under such new insurance shall be paid to You only if such conversion or replacement is effected by or through You.
- g. Commissions on benefit riders, term riders, replacement policies and conversions shall be payable in accordance with American Community practices at the time the coverage is issued, converted or replaced, as the case may be.
- h. American Community reserves the right to establish an aggregate minimum dollar amount for commission checks to be issued. Such minimum amount will be set forth in the Commission Schedule(s) referred to on the signature page, as amended from time-to-time by American Community, the minimum amount may be changed by American Community at its sole discretion without notice.
- i. If this Agreement is terminated by You or American Community, for any reason, before it has been in force for one (1) year, no further commissions are payable.
- j. You shall not be entitled to commissions on premiums waived or paid by Us under the disability waiver of premium provisions or waiver of premium upon death or disability of the applicant (payor benefit) provisions of any policy.
- k. Should American Community, in its sole discretion, deem it appropriate at any time to cancel a policy and refund any premium on which You or Your Writing Agents, were paid any commission, then such commission shall be charged back and, in our sole discretion, shall be either offset against any commission accrued to or to accrue to You, or You shall repay American Community on demand.
- l. If default for a period longer than one (1) year shall occur in premium payment on any policy or policies secured under this Agreement, You shall lose all right to commissions on any premium payment collected in restoration of or subsequent on such policy or policies, unless You shall personally collect the premium or premiums which shall have been in default for more than one (1) year.
- m. American Community may, at any time, offset against any commissions accrued to or to accrue to You any debt or debts due to American Community arising from transactions effectuated by You or Your Writing Agents or by or on behalf of licensed agents appointed by American Community whose commissions are assigned to You, under this or any other Agreement with Us.
- n. You are liable for all licenses, taxes, and fees of whatever kind assessed by any municipal, city, state or other governmental or regulatory body. If American Community pays such taxes or fees on behalf of You or Your Writing Agents, American Community may at any time offset any of these amounts against any commission accrued to or to accrue to You.
- o. The Commission for Individual products shall be paid at the rate set forth in the Commission Schedule. It is further provided that there shall be no Service Fee paid after the termination of this Agreement.
- p. Group Insurance Commissions, Group Service Fees, and group vesting are governed by rules published in the Group Commission Schedule of the Commission Schedule, which may be revised by American Community at any time at our sole discretion.
- q. American Community may revise the commission rates, conditions and schedules by way of issuing a new Commission Schedule or a field bulletin, which will have the effect of amending the Commission Schedule attached to this Agreement along with any other previous amendments to the Commission Schedule.
- r. You and Your Writing Agents agree to produce new sales on a regular basis for Us in accordance with the production standards established by the Company, which may be amended by Us at our sole discretion. We shall have the sole right to determine the volume, measure and time period of production needed to maintain this Agreement or authorization to sell a specific product. Failure to maintain the production levels as established by American Community can be grounds for termination of this Agreement at our sole discretion.
- s. You may request that Your inforce business be transferred to another active American Community agent or general agent. No transfer or assignment of any business or the compensation due or to become due to You by virtue of this Agreement shall be valid unless authorized in advance in writing by an Officer of American Community. Any such transfer or assignment shall be subject to and subordinate to any and all indebtedness of the Agent or General Agent to Us. We also reserve the right to transfer any business, and the compensation payable on that business, to honor a policyholder's written request or in cases where deemed necessary by Us.

- t. You are expected to service Your inforce business even after termination of this Agreement, as long as vested commissions are being paid on that business. If You fail to service your inforce business after the termination of this Agreement then all vested commissions shall be forfeited and no longer paid to You. Vested commissions will not be paid for termination of this agreement due to actions for cause as provided for under this Section 19, subsection (a), subparagraphs (1) through (6), or subsection (b), subparagraphs (1) through (7) above, regardless of the number of years this Agreement has been in effect.

14. Severability.

Any provision of this Agreement which shall prove to be invalid, void or illegal shall in no way affect, impair or invalidate any other provision hereof, and such other provisions shall remain in full force and effect.

15. Non-Waiver.

The forbearance or neglect of American Community to insist upon strict compliance by You with any of the provisions of this Agreement, whether continuing or not, or to declare a termination against You, shall not be construed as a waiver of any of American Community's rights or privileges hereunder, unless in each instance a written memorandum expressing such waiver be made and subscribed to by the party against whom such waiver shall be claimed, and nothing contained in this Agreement shall be made or be construed to make American Community liable to You, in any manner whatsoever. No waiver of any right or privilege of American Community arising from any default or failure of performance by You shall affect American Community's rights or privileges in the event of a further default or failure of performance.

16. Entire Agreement.

This Agreement, the Signature Page and any attached Commission Schedules or amendments contain the entire agreement between the parties to this Agreement with respect to the subject matter hereof and supersedes all prior oral and written agreements, understandings and commitments between the parties to this Agreement. Nothing in this section shall be construed to release any obligation or debt incurred under a previous Agent Agreement or any other agreement between the parties. No amendments to this Agreement may be made except by writing signed by You and two (2) officers of American Community. This provision does not apply to the amendment and/or revision of any attached schedules or commission schedules to this Agreement or including, but not limited to, rules published in such schedules.

17. Governing Law.

To the fullest extent controllable by our stipulation, this Agreement shall be construed in accordance with the laws of Michigan applicable to contracts performed entirely within the State.

18. Arbitration.

- a. It is anticipated that any disagreements which may arise will be resolved by good faith negotiations between the parties. Should that not be possible, after both parties have tried to negotiate for a reasonable time, either party may send the other party written notice that the negotiations regarding the disputed matter(s) have reached an impasse and may invoke the dispute arbitration mechanism set out below. The parties shall act in the highest good faith in all aspects of the arbitration process.
- b. If any dispute shall arise between American Community and You with reference to the interpretation of this Agreement, or the rights with respect to any transaction involved, which cannot be resolved as stated above, whether such dispute arises before or after termination of the Agreement, such dispute, upon the written request of either party, shall be settled exclusively by binding arbitration pursuant to the Rules of the American Arbitration Association. A party desiring arbitration shall in its written demand for arbitration on the other party state, with specificity, the issue and the claimant's position with respect to the issue(s). Within twenty (20) days of receipt of such demand, the receiving party must respond in writing indicating its agreement or disagreement with the position of the claiming party and the reasons therefor.
- c. The arbitration shall be held in the state where the agent resides or at any other location agreed upon in writing by the parties.
- d. Arbitration shall be by a panel of three (3) neutral arbitrators, each of which shall be an executive or professional in the insurance industry drawn from the National Panel of Commercial Arbitrators. None of the arbitrators may be under the

control, direction or other influence of either party to the arbitration or have a pecuniary interest in either the dispute or the parties. For purposes of this Agreement, persons who are “under the control, direction or influence” of the other includes without limitation, current or former officers, directors, employees or agents of either party, their affiliates or subsidiaries, and shareholders of any of these entities. Each party shall select one arbitrator. Within thirty (30) days after designation of the second arbitrator, the two arbitrators shall select the third arbitrator. Arbitrators must consult with the party nominating them as to acceptability of persons under consideration for appointment by them as third arbitrator. If the third arbitrator has not been selected within that time, each arbitrator shall, within fifteen (15) days, nominate three (3) qualified individuals to serve as the third arbitrator. The American Arbitration Association shall appoint a third arbitrator from the persons nominated who meet the qualifications described in this Agreement.

- e. Discovery shall be allowed in accordance with the United States Federal Rules of Civil Procedure, which are applicable in the United States District Courts.
- f. The arbitrators shall be required to apply the contractual provisions hereof in deciding the matter submitted to them.
- g. Decisions of the arbitration panel, shall be made by majority vote, shall be made in writing, shall include findings of fact and conclusions of law, and shall be delivered to both parties and each member of the arbitration panel. The arbitration panel is not authorized to award exemplary or punitive damages and is specifically prohibited from making an award of exemplary or punitive damages or award equitable relief. A judgment upon the award entered by at least two of the arbitrators may be entered and enforced in any court having jurisdiction thereof.
- h. Each party shall bear its own costs and attorney fees, and American Community and You shall share the cost of arbitration equally.

19. Termination.

- a. Except to the extent prohibited by applicable law, this Agreement shall be automatically terminated in the event of Your (1) ceasing to be licensed, including being placed on suspended status, as required by an applicable state insurance department having jurisdiction; or (2) committing a felony; or (3) withholding or misappropriating any money or property belonging to an applicant or policyholder or Us; or (4) failing to comply with the laws, rules or regulations of any federal, state or other governmental agency or body having jurisdiction over any matter covered by this Agreement; or (5) committing any fraud; or (6) committing an act of embezzlement; or (7) death (or, if You are a partnership or a corporation, upon any event legally or contractually causing the dissolution of the partnership or corporation. However, We may continue to rely on this Agreement as existing before such dissolution until We receive formal written notice of dissolution). Should You be terminated under this subsection (a), subparagraphs (1) through (6), You will forfeit all Your rights to any further payments, including commissions and/or service fees, under this Agreement. For purposes of determining whether this Agreement has been breached under this subsection (a), the acts of all Your employees and Writing Agents, as the case may be, shall be deemed Your acts.
- b. American Community may terminate this Agreement, at any time, upon giving notice (as provided in Section 12) in the event of (1) its involuntary assignment for benefit of Your creditors; or (2) Your bankruptcy; or (3) Your subjecting Us to liability due to Your misfeasance or malfeasance; (4) Your failing to conform to the rules and regulations of American Community; (5) Your failing to pay any indebtedness to American Community on demand; (6) withholding any funds, policies, or receipts for more than thirty (30) days after they should have been transmitted to the Home Office or other place designated by American Community; (7) doing anything to induce or influence policy owners or annuitants to relinquish their policies or contracts with American Community; or (8) Your total and permanent disability. Should You be terminated under this subsection (b), subparagraphs (1) through (7), You will forfeit all Your rights to any further commissions and/or payments under this Agreement. For purposes of determining whether this Agreement has been breached under this subsection (b), the acts of all of Your employees and Writing Agents, as the case may be, shall be deemed Your acts.
- c. Either party may also terminate this Agreement without cause by giving thirty (30) days written notice to the other party or the number of days mandated by the State Insurance Department if more than thirty (30) days. The provisions for termination in (a) or (b) above do not restrict the right of termination under this subsection (c).
- d. Upon any termination of this Agreement, You shall immediately pay in cash any sums due hereunder and shall immediately deliver to Us all of the previously furnished materials, advertising and any other printed matter which mentions American Community by name, our rate books, and all other such supplies connected with our business, excepting only those items which American Community shall specifically notify You in writing, that You may maintain for servicing purposes.

- e. No Commissions, Renewal Commissions or Fees of any kind will be paid to You in the event this Agreement is terminated for cause as provided for under this Section 19, subsection (a), subparagraphs (1) through (6), or subsection (b), subparagraphs (1) through (7) above, regardless of the number of years this Agreement has been in effect.
- f. The obligations of You and Your Writing Agents arising under the Agreement shall survive the termination of this Agreement, whether such obligations arose prior or subsequent to the termination of this Agreement. Further, the termination of this Agreement will not affect any claim or right which We may have against You.
- g. Upon termination of this Agreement for any reason, except for cause or by reason of Your death or total and permanent disability, as determined by American Community, after this Agreement has been in force for one (1) full year, American Community shall pay Your legal representative the Individual Life and Health Renewal Commissions in accordance with the Commission Schedule, for a period of time equal to the length of time this Agreement has been in force, but not in any event to exceed a period of ten (10) years. It is further agreed that a collection charge of one percent (1%) of the premiums shall be applied to the Renewal Commissions otherwise allowable in the Commission Schedule.
- h. Upon termination of this Agreement by Your death or total and permanent disability if this Agreement has been in force for a period of one (1) full year, American Community shall pay You or Your legal representative the Individual Life and Health Renewal Commissions in accordance with the Commission Schedule, for a period of time equal to the length of time this Agreement has been in force, but not in any event to exceed a period of ten (10) years.
- i. Upon termination of this Agreement for any reason, except for cause or by reason of Your death or total and permanent disability, as determined by American Community, after this Agreement has been in force for one (1) full year, American Community shall pay Your legal representative the Group Life and Health Commissions and service fees in accordance with the Commission Schedule, for a period of time equal to the length of time this Agreement has been in force.
- j. Upon termination of this Agreement by Your death or total and permanent disability if this Agreement has been in force for a period of one (1) full year, American Community shall pay You or Your legal representative the Group Life and Health Renewal Commissions in accordance with the Commission Schedule.

This Agreement will be effective on the date shown on the Signature Page, if You have been duly licensed in the appropriate jurisdiction, and if the Signature Page is signed by You and countersigned by an authorized person from American Community Mutual Insurance Company.





6525-0135R2

GROUP WRITING AGENT
Commission Schedule

Percent of Premium According to Policy Year	
Commissions	
1 st Year	2 nd Year and After

**American's Advantage Group Plan,
American's Preferred Employer Plan**

• 2 – 14 Health Lives	7%	7%
• 15 – 29 Health Lives	6%	6%
• 30 – 50 Health Lives	5%	4%

Triple Tier

• 2 – 14 Health Lives	7%	7%
• 15 – 29 Health Lives	6%	6%
• 30 – 50 Health Lives	5%	5%

**American's Equity Advantage HSA,
Next Generation HSA**

• 2 – 14 Health Lives	9%	5%
• 15 – 29 Health Lives	7%	5%
• 30 – 50 Health Lives	6%	5%

American's Choice Options

10%	8%
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51 Lives or More

Issued a Group Insurance Single Case Commission Agreement

On any group that is rated more than 1% of standard new business health rates, commissions will be paid at a percentage that will effectively pay the same commission dollars as if the group had been issued at the standard health rates.

American Community will not recognize agent of record letters during an agent's first contract year.

The minimum amount for a commission check or electronic funds to be issued is \$100.00.

No group commissions or service fees shall be payable:

- after American Community had made effective an Agent of Record letter from the employer, except that the original writing agent is eligible to continue receiving commissions payable during the first policy year.
- to a newly appointed agent of record while the original writing agent commission is being continued.
- on any fees charged to the group, including, but not limited to, those charged on a one-time, monthly, quarterly or annual basis.
- if your agent's contract has been terminated for reasons other than death unless eligible for vesting as outlined in the agent agreement.

These percentages shall be reduced by any commission or service fees paid to any Agents and/or General Agents of the Brokerage General Agent.

Vesting Schedule:

Number of Years Contracted with ACMIC	Percentage Vested
< 1 Year	0%
> 1 but less than 2 Years	25%
> 2 but less than 3 Years	50%
> 3 but less than 4 Years	75%
4 or more Years	100%

Production Requirement:

We require our Agents to produce a minimum of \$40,000 approved annual Group premium or 12 Certificates (based on a full calendar year).

OR

Combined Group/Individual amount of \$25,000 approved annual premium or 8 Certificates

SAMPLE

INDIVIDUAL TYPE 3
Commission Schedule for Individual Products

	Percent of Premium According to Policy Year Commissions				
	1 st Year	Renewals			Service Fees
		2 nd Year	3 rd Year	4 th & 5 th Year	6 th Year & After
All Individual Health Plans	20%	5%	5%	2.5%	2.5%
Short Term Major Medical	20%	-----	-----	-----	-----

Agent of Record Fee:

- No agent of record fee payable to an appointed servicing agent.
- American Community will not recognize agent of record letters during an agent's first contract year.

Commission Checks:

- The minimum amount for a commission check or electronic funds to be issued is \$100.00