

PPO Agents

1302 Waugh Drive, Suite 833
Houston, Texas 77019

ASSOCIATE AGENT LEVEL I CONTRACT for

Contracting Party Name *[Insert Individual or Company Name
depending upon how you are licensed.]*

Address

City

State

Zip

Effective as of the Effective Date below, PPO Agents (hereinafter designated as "**Company**") appoints the person named above (designated as "**you**") an Associate Agent Level I, with the authority and obligations set forth in this Contract, and you accept your appointment subject to the terms and conditions of this Contract and all Schedules and Supplements related to it.

1. AUTHORITY

The Company hereby authorizes you to solicit applications for contracts for membership interests in an entity that arranges individual and family medical health insurance policies for its members (the "**Provider**"), *provided* that you are properly licensed as an insurance agent by any governmental authority applicable to you.

2. TERRITORY

You may exercise your authority on a non-exclusive basis within any territory in which you are properly licensed and the Provider offers the products to which this Contract pertains.

3. RELATIONSHIP

Your relationship with the Company and the Provider shall be that of an independent contractor. Nothing in this Contract shall be construed as creating the relationship of employer and employee between you and either the Company or the Provider.

4. YOUR RESPONSIBILITIES

You will comply with the Company's rules and regulations pertaining to the Company's business covered by this Contract which, among other things, includes the rules and regulations by the Provider.

A. TRADE SECRETS

All accounts, member and customer lists, application forms, and all other records in your possession pertaining to the Company's or Provider's business are trade secrets wholly owned by the Company or the Provider and shall be returned to the owner upon demand.

B. REPRESENTATION, SERVICE AND TRAINING

You agree to become familiar with and fully informed as to the provisions and benefits of each product offered by the Company for which you solicit applications and to present these products accurately and fairly to prospects. You further agree to use your best efforts to provide services to customers and to maintain any memberships in effect that have been granted to a customer.

C. HOLD HARMLESS

You agree to indemnify and hold harmless the Company from all losses, expenses, costs, and damages resulting from any acts by you which breach any terms of this Contract.

5. LIMITATION ON AUTHORITY

You have only the power or authority which this Contract specifically grants to you, and you will not assume that any power or authority is implied. In general, you are denied all power or authority that is not expressly granted, including, but not limited to, the following:

- (1) Entering into any agreement or incur any obligation on behalf of the Company or Provider, except with written permission by such entity, or
 - a. Binding the Company in its dealings with any agent or Company employee, or
 - b. Committing the Company or the Provider to:
 - i) Pay any money to any agent or employee, or
 - ii) A date on which a payment will be made.
 - (2) Assigning this Contract or any compensation payable under it without the prior written consent of the Company, which shall not be unreasonably withheld.
 - (3) Soliciting applications for the Provider in any manner prohibited or inconsistent with the provisions of this Contract, the rates quoted by the Provider, or the rules and regulations of the Company or the Provider, now or hereafter in force.
 - (4) With respect to any policy of insurance that may be issued to a member by Provider:
 - a. Making any alterations, modifications or endorsements or otherwise alter the Provider's obligations as stated in any of its contracts;
 - b. Changing special rates or extend the time for payment by any customer or member;
 - c. Waiving forfeitures;
 - d. Delivering or allowing the delivery of any policy or contract from either the Company or the Provider.
- B.** Initiating on behalf of either the Company or the Provider any civil or criminal action or proceeding, whether or not brought in the name of the Company or the Provider, which may in any way involve or affect the Company, the Provider, any affiliates of either, or any business, operations, or contract issued by either of them.
- C.** Using or authorizing the use of any written, oral, or visual communication, circular, advertisement or other publication:
- (1) bearing the name of the Company or the Provider, as advertising matter or otherwise, except with the prior written approval of the Company or Provider, as the case may be; or
 - (2) making any reference to the Company or Provider tending to bring it into disrepute.

- D. Violating the insurance laws or the regulations of the Insurance Department of any State or any other jurisdiction in which you represent the Company or the Provider.
- E. Acting, either directly or indirectly, or helping someone else to do any of the following:
 - (1) To induce any Company employee or sales representative to terminate a contract with the Company or any affiliate of the Company or otherwise interfere with any employee's or agent's relationship with the Company or any affiliate of the Company, or;
 - (2) To Induce or influence any member to cancel or replace any contract with the Provider.
- F. Misapplying or embezzling funds of the Company, the Provider, or any other person or entity.
- G. Perpetrating any fraud against the Company, the Provider, or any other person or entity.

6. COMPENSATION FOR PERSONAL PRODUCTION

During the existence of this Contract, the Company will pay you First Year Commissions and Renewal Commissions at the rates and for the years shown in the attached Commission Schedule, when the respective payments on contracts you personally produce under this Contract are actually due and paid to the Provider, subject to the following provisions:

- A. If a contract you personally produce is lapsed for non-payment of charges and is subsequently reinstated except through your direct efforts, the payment of future compensation shall thereafter be governed by the Provider's rules and practices.
- B. Should the Provider for any reason refund or waive any charges on any Contract you produced, any commission or fee you received on such charges shall be refunded to the Company upon demand and no commission or fee will be paid on any charges thereafter waived.
- C. Compensation on any Contract issued on an application written by you and one or more other representatives of the Company, where permitted by the Provider's rules, shall be apportioned among the writing representatives based on the respective compensation schedules as if the credit for the charges were shared equally, unless otherwise agreed upon in writing filed with and approved by the Company.

7. TERMINATION

You or the Company may terminate this Contract at any time by giving written notice to the other party at least thirty (30) days prior to the date fixed for termination. The notice shall be delivered personally or mailed to the other party's last known address.

You acknowledge that the Company has not expressly or by implication agreed to continue the term of this Contract for any definite period of time and this Contract may be terminated at any time as set forth below. The Company may terminate the Contract at any time upon the occurrence of any of the following events:

- A. Your death or your total and permanent disability as defined under the Company's rules and practices then in effect; or
- B. The Company's written notice to you that contracts for the Provider are no longer being written in the territory where you are licensed and then only to the extent of such territory; or
- C. The Company's written notice to you that you have violated any of the provisions of this Contract or that you have otherwise acted to prejudice materially the interests of the Company or its affiliates.

8. COMPENSATION AFTER TERMINATION

The following provisions relating to compensation shall apply after termination of this Contract:

- A. If this Contract is terminated for any cause other than your acting to prejudice materially the interest of the Company or its affiliates, or your violation of any of its provisions, you (or your beneficiary if your beneficiary is licensed as you are) shall receive:
 - (1) the First Year Commissions as provided in paragraph 6;
 - (2) the Renewal Commissions as provided in paragraph 6.
- B. Unless otherwise designated in writing, your beneficiary shall be your spouse, if then living, otherwise, your estate; *provided, however*, that such beneficiary must be properly licensed to continue receiving any commissions.
- C. If you have violated any of the provisions of this Contract or acted to prejudice materially the interest of the Company or its affiliates, at, before or after the termination of this Contract, you shall forfeit all commissions and all other compensation due or to accrue under this or any previous contract between you and the Company.
- D. In the event your commissions and other compensation total less than \$200.00 during any year after termination of this Contract, no further commissions or other compensation shall be paid to you or to your beneficiary.
- E. No commissions, fees or other compensation shall be payable to you or to your beneficiary after termination of this Contract, except as provided in this paragraph 8, and all commissions, fees and other compensation otherwise payable hereunder shall be subject to the lien established in paragraph 9 and to any assignments which you have made.

9. LIEN TO SECURE INDEBTEDNESS

If you owe the Company or the Insurer any money while you are under contract with the Company or after termination of this Contract, the Company may deduct the total amount owed from any compensation due you under the terms of this Contract. The Company shall have, and is hereby given a valid first lien on and right of offset against all commissions, fees and any other compensation payable under this or any prior contract with the Company as security for the payment of any and all debts or claims due or to become due to it from you, and you hereby agree to pay interest on any outstanding indebtedness at the prevailing rate established by the Company. Whether or not there has been a default on any debt or claim due or to become due to the Company from you, the Company is authorized, at any time without notice and without any judicial action, to foreclose its lien by offsetting or otherwise collecting any or all your commissions, fees, or other compensation, accrued or to accrue, against the reduction of the debt or claim. This lien shall not be extinguished by termination of this Contract.

10. RESERVED RIGHTS OF THE COMPANY

The Company reserves the following rights:

- A. To unilaterally adopt rules and practices from time to time establishing:
 - (1) compensation on policies not listed in the attached Compensation Schedule, and altering the rules and schedules on policies to be issued in the future, *provided* only that this action shall be general among all brokers and agents of the Company or shall be required by law.
 - (2) commissions on any new or revised commissions on existing policies; *provided* only that this action shall be general among all brokers and agents of the Company or shall be required by

law;

(3) commissions on conversions;

(4) commissions on reinstated policies.

B. To withdraw the availability of any policy;

C. To withdraw from any territory; and

D. To adopt rules and practices from time to time relating to any matter not otherwise provided in this Contract.

11. ENFORCEMENT

You agree that in addition to all rights and remedies available to the Company to enforce the provisions of this Contract, whether before or after its termination, whether by judicial action or otherwise, the Company may compel your compliance with this Contract by injunction issued by any court of competent jurisdiction.

12. RESTRICTIONS AFTER TERMINATION

If this Contract is terminated, whether by you or by the Company, for any reason, you agree that, for a period of 2 years after termination, you will not, either directly or indirectly, or help anyone else to induce or try to induce any policyholder to lapse, cancel, or replace any insurance policy of the Provider or of its affiliates, or interfere with any employee's or agent's relationship with the Company or any affiliate of the Company. These prohibitions shall be effective throughout the territory covered by this Contract.

13. WAIVER

No act of forbearance on the part of the Company to enforce any of the provisions of this Contract shall be construed as a modification of this Contract, nor shall the failure of either party to exercise any right or privilege granted in this Contract be considered as a waiver of that right or privilege.

14. MODIFICATION OR AMENDMENT

Any modification or amendment of this Contract must be in writing and duly executed by both you and the Company; provided, however, that the Company may by written notice unilaterally amend any Schedule or Supplement to this Contract to affect policies to be issued after the date of the amendment.

15. SOLE AGREEMENT

This Contract, with the attached Schedule and Supplements, constitutes the sole agreement and supersedes all prior contracts between you and the Company, but this Contract shall not impair your right to commissions or fees, if any, earned under a prior contract or contracts with the Company.

[Execution page for Contract follows]

IN WITNESS WHEREOF, the parties have duly executed this Contract on this face page and the attached Schedules and Supplements in the places where signatures are required.

Effective Date: _____

Agent:

[Contracting Party Name]

By: _____
(Signature)

Individual Name: _____

Title: _____

Address _____

City/St/Zip _____

Email: _____

This Contract becomes effective only after investigation by Company, approval of which is indicated by execution below.

Company:

Brokers Choice LLC
Dbas PPO Agents

By: _____
Mark Roden
President
1302 Waugh Drive, Suite 833
Houston, Texas 77019
Email: *admin@ppoagents.com*

CONFIDENTIAL HISTORY QUESTIONNAIRE

Individual Name: _____ Social Security No. _____

Date of Birth: _____ Place of Birth: _____

Married _____ Single _____ Spouse Name: _____

Residence Address: _____

Company Name: _____ EIN: _____
[Insert N/A if not applicable.] [Insert N/A if not applicable.]

Additional Questions

1. Have you sold insurance under another name within the past 5 years? _____ (If "Yes", please provide details in the Detail Section below.)

2. Has your license ever been revoked by any state or have you ever been disciplined by a state insurance department? _____ (If "Yes" to either, please provide details in the Detail Section below.)

An individual who has been convicted of any criminal felony involving dishonesty or a breach of trust and who willfully engages in the business of insurance commits a criminal offense in most circumstances under the Violent Crime and Control Act of 1994.

3. Have you ever been indicted for or convicted of a criminal felony involving dishonesty or a breach of trust? _____ (If "Yes", please provide details in the Detail Section below.)

DETAILS SECTION

The following space is for giving requested details under any of the Additional Questions to the Confidential History Questionnaire. In providing details, please note the Question No. for which details are being given.

Attach an additional page if additional space needed.

AUTHORIZATION TO OBTAIN INFORMATION

I hereby authorize any insurance company, agency, or other organization or any individuals to give to PPO Agents (herein referred to as the “**Company**”) or its designated representative any and all information which they may have about me, whether or not in their records. I release any individual or organization issuing information from all liabilities for any damage whatsoever for giving information.

I understand that the Company may, as part of its normal procedure, request that an investigative consumer report be made whereby information is obtained through third parties such as past business associates, employers, financial sources, and others with whom the applicant may be acquainted and hereby authorize such an investigation be made I also authorize the Company, through designated representatives or any third parties to conduct investigations into my background and to ascertain whether or not have engaged in any past criminal activity.

I have read on the date shown below, the above statements and understand that in signing this form, I authorize the Company to make or have made any such investigations. I have the right to make a written request to the Company's home office within a reasonable period of time for additional, detailed information concerning the nature and scope of any investigations.

In addition, the undersigned specifically attest that the Social Security Number or Tax Identification Number on the application is the correct number for the entity applying for appointment with the Company.

Signature _____ **Date** _____

Individual Name: _____

STATEMENT OF POLICY ON ADVERTISING

General Advertising Guidelines

Agents, Brokers, various marketing organizations, and other producers working with PPO Agents (the “**Company**”) are required to secure written approval prior to the use of any advertising or other promotional materials not furnished by the Company or the Provider (as defined and used in the Contract above) and that mention the name of the Provider, the Company, or another insurance company or provider. These materials include any advertisement that is targeted to clients, potential clients, current agents, and prospective agents.

The Company must review and approve any advertisement which:

- Refers to the Company.
- Refers to any product offered through the Company.
- Refers to operational or administrative procedures of the Company.
- Describes features of a product offered through the Company in such detail that it can be identified as product offered through the Company.
- Targets current or potential agents (recruiting ads) if it has any of the features listed above.

WHERE TO SUBMIT ADVERTISING

Agents, brokers, and other producers should submit advertisements to PPO Agents, ***advertising@ppoagents.com*** for review and approval.

Approval

An advertisement is not approved by the Company except in writing. An advertisement which is returned to an Agent or Broker for correction to the format or text of the ad is not considered approved until all corrections have been made as indicated by the Company.

Advertising Violations

Failure to comply with the above indicated procedures, as defined above, is a direct violation of the Contract or selling agreement of such producer with the Company and state laws and regulations. Penalties for violations range from a formal warning of termination, depending upon the nature of the infraction, termination of the appointment, Contract or selling agreement of the agent, broker, or producer.

PRODUCER'S CODE OF CONDUCT

As a representative of PPO Agents, I recognize my responsibility to:

Conduct myself in the highest character with *honesty, integrity, and fairness* at all times;

Provide information to clients in a professional manner which is *honest, relevant, and designed to meet the client's needs*;

Fully understand and accurately *represent* the Company's products and services; Ensure my *personal interests do not conflict* with those of clients or the Company;

Render *prompt and quality service* both before and after the sale to clients and their beneficiaries;

Learn and follow all Company policies and procedures related to my role as a producer;

Keep informed with respect to applicable laws and regulations and to observe them in the practice of my profession;

Determine that any replacement of a life or health insurance or a financial product I am proposing is in the best interest of the client;

Foster *good will, courtesy, and consideration* in the treatment of policyowners and the general public, while maintaining *loyalty and respect* for the Company;

Meet all continuing education requirements.

Endorse and support the Insurance Marketplace Standards Association's (IMSA's) Principles of Ethical Market Conduct:

- Conduct business according to high standards of honesty and fairness and to render that service to its customers which, in the same circumstances, it would demand for itself;
- Provide competent and customer-focused sales and service;
- Engage in active and fair competition;
- Provide advertising and sales materials that are clear as to purpose and honest and fair as to content;
- Provide for fair and expeditious handling of customer complaints and disputes;
- Maintain a system of supervision and review that is reasonably designed to achieve compliance with these Principles of Ethical Market Conduct.

To the best of my knowledge, all my statements in the *Confidential History Questionnaire* are true and correct and my appointment by PPO Agents would not constitute a breach of any of my contracts with other companies.

I have read, understand, and agree to comply with the Statement of Policy on Advertising and the contents of the Producer's Code of Conduct.

Date: _____

Individual Name

BUSINESS ASSOCIATE AGREEMENT

This BUSINESS ASSOCIATE AGREEMENT (the “**BAA**”) is made and entered into as of by and between

Brokers Choice LLC dba PPO Agents, a Texas limited liability company (“**Covered Entity**”)

and

_____ [Name of Contracting Party on first page of Contract], a _____

_____ [state whether individual, limited liability company, or corporation and, if a company, the state where formed] (“**Business Associate**”),

in accordance with the meaning given to those terms at 45 CFR §164.501). In this BAA, Covered Entity and Business Associate are each a “**Party**” and, collectively, are the “**Parties**”.

BACKGROUND

- I. Covered Entity is either a “covered entity” or “business associate” of a covered entity as each are defined under the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191, as amended by the HITECH Act (as defined below) and the related regulations promulgated by HHS (as defined below) (collectively, “**HIPAA**”) and, as such, is required to comply with HIPAA’s provisions regarding the confidentiality and privacy of Protected Health Information (as defined below);
- II. The Parties have entered into or will enter into one or more agreements under which Business Associate provides or will provide certain specified services to Covered Entity (collectively, the “**Agreement**”);
- III. In providing services pursuant to the Agreement, Business Associate will have access to Protected Health Information;
- IV. By providing the services pursuant to the Agreement, Business Associate will become a

“business associate” of the Covered Entity as such term is defined under HIPAA;

- V. Both Parties are committed to complying with all federal and state laws governing the confidentiality and privacy of health information, including, but not limited to, the Standards for Privacy of Individually Identifiable Health Information found at 45 CFR Part 160 and Part 164, Subparts A and E (collectively, the “**Privacy Rule**”); and
- VI. Both Parties intend to protect the privacy and provide for the security of Protected Health Information disclosed to Business Associate pursuant to the terms of this Agreement, HIPAA and other applicable laws.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained herein and the continued provision of PHI by Covered Entity to Business Associate under the Agreement in reliance on this BAA, the Parties agree as follows:

1. **Definitions.** For purposes of this BAA, the Parties give the following meaning to each of the terms in this Section 1 below. Any capitalized term used in this BAA, but not otherwise defined, has the meaning given to that term in the Privacy Rule or pertinent law.
 - A. “**Affiliate**” means a subsidiary or affiliate of Covered Entity that is, or has been, considered a covered entity, as defined by HIPAA.
 - B. “**Breach**” means the acquisition, access, use, or disclosure of PHI in a manner not permitted under the Privacy Rule which compromises the security or privacy of the PHI, as defined in 45 CFR §164.402.
 - C. “**Breach Notification Rule**” means the portion of HIPAA set forth in Subpart D of 45 CFR Part 164.
 - D. “**Data Aggregation**” means, with respect to PHI created or received by Business Associate in its capacity as the “business associate” under

HIPAA of Covered Entity, the combining of such PHI by Business Associate with the PHI received by Business Associate in its capacity as a business associate of one or more other “covered entity” under HIPAA, to permit data analyses that relate to the Health Care Operations (defined below) of the respective covered entities. The meaning of “data aggregation” in this BAA shall be consistent with the meaning given to that term in the Privacy Rule.

- E. “**Designated Record Set**” has the meaning given to such term under the Privacy Rule, including 45 CFR §164.501.B.
- F. “**De-Identify**” means to alter the PHI such that the resulting information meets the requirements described in 45 CFR §§164.514(a) and (b).
- G. “**Electronic PHI**” means any PHI maintained in or transmitted by electronic media as defined in 45 CFR §160.103.
- H. “**Health Care Operations**” has the meaning given to that term in 45 CFR §164.501.
- I. “**HHS**” means the U.S. Department of Health and Human Services.
- J. “**HITECH Act**” means the Health Information Technology for Economic and Clinical Health Act, enacted as part of the American Recovery and Reinvestment Act of 2009, Public Law 111-005.
- K. “**Individual**” has the same meaning given to that term i in 45 CFR §§164.501 and 160.130 and includes a person who qualifies as a personal representative in accordance with 45 CFR §164.502(g).
- L. “**Privacy Rule**” means that portion of HIPAA set forth in 45 CFR Part 160 and Part 164, Subparts A and E.
- M. “**Protected Health Information**” or “**PHI**” has the meaning given to the term “protected health information” in 45 CFR §§164.501 and 160.103, limited to the information created or received by Business Associate from or on behalf of Covered Entity.
- N. “**Security Incident**” means the attempted or successful unauthorized access, use, disclosure,

modification, or destruction of information or interference with system operations in an information system.

- O. “**Security Rule**” means the Security Standards for the Protection of Electronic Health Information provided in 45 CFR Part 160 & Part 164, Subparts A and C.
- P. “**Unsecured Protected Health Information**” or “**Unsecured PHI**” means any “protected health information” as defined in 45 CFR §§164.501 and 160.103 that is not rendered unusable, unreadable or indecipherable to unauthorized individuals through the use of a technology or methodology specified by the HHS Secretary in the guidance issued pursuant to the HITECH Act and codified at 42 USC §17932(h).

2. Use and Disclosure of PHI.

- A. Except as otherwise provided in this BAA, Business Associate may use or disclose PHI as reasonably necessary to provide the services described in the Agreement to Covered Entity, and to undertake other activities of Business Associate permitted or required of Business Associate by this BAA or as required by law.
- B. Except as otherwise limited by this BAA or federal or state law, Covered Entity authorizes Business Associate to use the PHI in its possession for the proper management and administration of Business Associate’s business and to carry out its legal responsibilities. Business Associate may disclose PHI for its proper management and administration, provided that (i) the disclosures are required by law; or (ii) Business Associate obtains, in writing, prior to making any disclosure to a third party (a) reasonable assurances from this third party that the PHI will be held confidential as provided under this BAA and used or further disclosed only as required by law or for the purpose for which it was disclosed to this third party and (b) an agreement from this third party to notify Business Associate immediately of any breaches of the confidentiality of the PHI, to the extent it has knowledge of the breach.
- C. Business Associate will not use or disclose PHI in a manner other than as provided in this BAA, as

permitted under the Privacy Rule, or as required by law. Business Associate will use or disclose PHI, to the extent practicable, as a limited data set or limited to the minimum necessary amount of PHI to carry out the intended purpose of the use or disclosure, in accordance with Section 13405(b) of the HITECH Act (codified at 42 USC §17935(b)) and any of the act's implementing regulations adopted by HHS, for each use or disclosure of PHI.

- D. Upon request, Business Associate will make available to Covered Entity any of Covered Entity's PHI that Business Associate or any of its agents or subcontractors have in their possession.
 - E. Business Associate may use PHI to report violations of law to appropriate Federal and State authorities, consistent with 45 CFR §164.502(j)(1).
- 3. Safeguards Against Misuse of PHI.** Business Associate will use appropriate safeguards to prevent the use or disclosure of PHI other than as provided by the Agreement or this BAA and Business Associate agrees to implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity and availability of the Electronic PHI that it creates, receives, maintains or transmits on behalf of Covered Entity. Business Associate agrees to take reasonable steps, including providing adequate training to its employees to ensure compliance with this BAA and to ensure that the actions or omissions of its employees or agents do not cause Business Associate to breach the terms of this BAA.
- 4. Reporting Disclosures of PHI and Security Incidents.** Business Associate will report to Covered Entity in writing any use or disclosure of PHI not provided for by this BAA of which it becomes aware, and Business Associate agrees to report to Covered Entity any Security Incident affecting Electronic PHI of Covered Entity of which it becomes aware. Business Associate agrees to report any such event within five business days of becoming aware of the event.

5. Reporting Breaches of Unsecured PHI. Business Associate will notify Covered Entity in writing promptly upon the discovery of any Breach of Unsecured PHI in accordance with the requirements set forth in 45 CFR §164.410, but in no case later than 30 calendar days after discovery of a Breach. Business Associate will reimburse Covered Entity for any costs incurred by it in complying with the requirements of Subpart D of 45 CFR §164 that are imposed on Covered Entity as a result of a Breach committed by Business Associate.

6. Mitigation of Disclosures of PHI. Business Associate will take reasonable measures to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of any use or disclosure of PHI by Business Associate or its agents or subcontractors in violation of the requirements of this BAA.

7. Agreements with Agents or Subcontractors. Business Associate will ensure that any of its agents or subcontractors that have access to, or to which Business Associate provides, PHI agree in writing to the restrictions and conditions concerning uses and disclosures of PHI contained in this BAA and agree to implement reasonable and appropriate safeguards to protect any Electronic PHI that it creates, receives, maintains or transmits on behalf of Business Associate or, through the Business Associate, Covered Entity. Business Associate shall notify Covered Entity, or upstream Business Associate, of all subcontracts and agreements relating to the Agreement, where the subcontractor or agent receives PHI as described in section 1.M. of this BAA. Such notification shall occur within 30 calendar days of the execution of the subcontract by placement of such notice on the Business Associate's primary website. Business Associate shall ensure that all subcontracts and agreements provide the same level of privacy and security as this BAA.

8. Audit Report. Upon request, Business Associate will provide Covered Entity, or upstream Business Associate, with a copy of its most recent independent HIPAA compliance report (AT-C 315),

HITRUST certification or other mutually agreed upon independent standards based third party audit report. Covered entity agrees not to re-disclose Business Associate's audit report.

9. Access to PHI by Individuals.

- A.** Upon request, Business Associate agrees to furnish Covered Entity with copies of the PHI maintained by Business Associate in a Designated Record Set in the time and manner designated by Covered Entity to enable Covered Entity to respond to an Individual's request for access to PHI under 45 CFR §164.524.
- B.** In the event any Individual or personal representative requests access to the Individual's PHI directly from Business Associate, Business Associate within ten business days, will forward that request to Covered Entity. Any disclosure of, or decision not to disclose, the PHI requested by an Individual or a personal representative and compliance with the requirements applicable to an Individual's right to obtain access to PHI shall be the sole responsibility of Covered Entity.

10. Amendment of PHI.

- A.** Upon request and instruction from Covered Entity, Business Associate will amend PHI or a record about an Individual in a Designated Record Set that is maintained by, or otherwise within the possession of, Business Associate as directed by Covered Entity in accordance with procedures established by 45 CFR §164.526. Any request by Covered Entity to amend such information will be completed by Business Associate within 15 business days of Covered Entity's request.
- B.** In the event that any Individual requests that Business Associate amend such Individual's PHI or record in a Designated Record Set, Business Associate within ten business days will forward this request to Covered Entity. Any amendment of, or decision not to amend, the PHI or record as requested by an Individual and compliance with the requirements applicable to an Individual's right to request an amendment of PHI will be the sole responsibility of Covered Entity.

11. Accounting of Disclosures.

- A.** Business Associate will document any disclosures of PHI made by it to account for such disclosures as required by 45 CFR §164.528(a). Business Associate also will make available information related to such disclosures as would be required for Covered Entity to respond to a request for an accounting of disclosures in accordance with 45 CFR §164.528. At a minimum, Business Associate will furnish Covered Entity the following with respect to any covered disclosures by Business Associate: (i) the date of disclosure of PHI; (ii) the name of the entity or person who received PHI, and, if known, the address of such entity or person; (iii) a brief description of the PHI disclosed; and (iv) a brief statement of the purpose of the disclosure which includes the basis for such disclosure.
- B.** Business Associate will furnish to Covered Entity information collected in accordance with this Section 10, within ten business days after written request by Covered Entity, to permit Covered Entity to make an accounting of disclosures as required by 45 CFR §164.528, or in the event that Covered Entity elects to provide an Individual with a list of its business associates, Business Associate will provide an accounting of its disclosures of PHI upon request of the Individual, if and to the extent that such accounting is required under the HITECH Act or under HHS regulations adopted in connection with the HITECH Act.
- C.** In the event an Individual delivers the initial request for an accounting directly to Business Associate, Business Associate will within ten business days forward such request to Covered Entity.

- 12. Availability of Books and Records.** Business Associate will make available its internal practices, books, agreements, records, and policies and procedures relating to the use and disclosure of PHI, upon request, to the Secretary of HHS for purposes of determining Covered Entity's and Business Associate's compliance with HIPAA, and this BAA.

13. Responsibilities of Covered Entity. With regard to the use and/or disclosure of Protected Health Information by Business Associate, Covered Entity agrees to:

- A. Notify Business Associate of any limitation(s) in its notice of privacy practices in accordance with 45 CFR §164.520, to the extent that such limitation may affect Business Associate's use or disclosure of PHI.
- B. Notify Business Associate of any changes in, or revocation of, permission by an Individual to use or disclose Protected Health Information, to the extent that such changes may affect Business Associate's use or disclosure of PHI.
- C. Notify Business Associate of any restriction to the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 CFR §164.522, to the extent that such restriction may affect Business Associate's use or disclosure of PHI.
- D. Except for data aggregation or management and administrative activities of Business Associate, Covered Entity shall not request Business Associate to use or disclose PHI in any manner that would not be permissible under HIPAA if done by Covered Entity.

14. Data Ownership. Business Associate's data stewardship does not confer data ownership rights on Business Associate with respect to any data shared with it under the Agreement, including any and all forms thereof.

15. Term and Termination.

- A. This BAA will become effective on the date first written above and will continue in effect until all obligations of the Parties have been met under the Agreement and under this BAA.
- B. Covered Entity may terminate immediately this BAA, the Agreement, and any other related agreements if Covered Entity determines that Business Associate has breached a material term of this BAA and Business Associate has failed to cure that material breach, to Covered Entity's reasonable satisfaction, within 30 days after written notice from Covered Entity. Covered Entity

may report the problem to the Secretary of HHS if termination is not feasible.

- C. If Business Associate determines that Covered Entity has breached a material term of this BAA, then Business Associate will provide Covered Entity with written notice of the existence of the breach and shall provide Covered Entity with 30 days to cure the breach. Covered Entity's failure to cure the breach within the 30-day period will be grounds for immediate termination of the Agreement and this BAA by Business Associate. Business Associate may report the breach to HHS.
- D. Upon termination of the Agreement or this BAA for any reason, all PHI maintained by Business Associate will be returned to Covered Entity or destroyed by Business Associate. Business Associate will not retain any copies of such information. This provision will apply to PHI in the possession of Business Associate's agents and subcontractors. If return or destruction of the PHI is not feasible, in Business Associate's reasonable judgment, Business Associate will furnish Covered Entity with notification, in writing, of the conditions that make return or destruction infeasible. Upon mutual agreement of the Parties that return or destruction of the PHI is infeasible, Business Associate will extend the protections of this BAA to such information for as long as Business Associate retains such information and will limit further uses and disclosures to those purposes that make the return or destruction of the information not feasible. The Parties understand that this Section 14.D. will survive any termination of this BAA.

16. Effect of BAA.

- A. This BAA is a part of and subject to the terms of the Agreement, except that to the extent any terms of this BAA conflict with any term of the Agreement, the terms of this BAA will govern.
- B. Except as expressly stated in this BAA or as provided by law, this BAA will not create any rights in favor of any third party.

- 17. **Regulatory References.** A reference in this BAA to a section in HIPAA means the section as in effect or as amended at the time.
- 18. **Notices.** All notices, requests and demands or other communications to be given under this BAA to a Party will be made via either first class mail, registered or certified or express courier, or electronic mail to the Party's address given below. Each Party consents to electronic notice.
- 19. **Amendments and Waiver.** This BAA may not be modified, nor will any provision be waived or amended, except in writing duly signed by authorized representatives of the Parties. A waiver with respect to one event shall not be construed as continuing, or as a bar to or waiver of any right or remedy as to subsequent events.
- 20. **HITECH Act Compliance.** The Parties acknowledge that the HITECH Act includes

significant changes to the Privacy Rule and the Security Rule. The privacy subtitle of the HITECH Act sets forth provisions that significantly change the requirements for business associates and the agreements between business associates and covered entities under HIPAA and these changes may be further clarified in forthcoming regulations and guidance. Each Party agrees to comply with the applicable provisions of the HITECH Act and any HHS regulations issued with respect to the HITECH Act. The Parties also agree to negotiate in good faith to modify this BAA as reasonably necessary to comply with the HITECH Act and its regulations as they become effective but, in the event that the Parties are unable to reach agreement on such a modification, either Party will have the right to terminate this BAA upon 30- days' prior written notice to the other Party.

In witness whereof, the Parties execute this BAA as of the date first written above.

Business Associate:

 [Name of Contracting Party]

By: _____
 (Signature)

Name: _____

Title: _____

Address _____

City/St/Zip _____

Email: _____

Covered Entity:

Brokers Choice LLC
 dba PPO Agents

By: _____

Name: _____

Title: _____

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