

BEFORE THE IOWA INSURANCE COMMISSIONER

IN THE MATTER OF)	ORDER
GUARANTEE TRUST LIFE)	ADOPTING SETTLEMENT
INSURANCE COMPANY)	DOCKET 82552

COMES NOW Nick Gerhart, Insurance Commissioner and states:

FINDINGS

1. Guarantee Trust Life Insurance Company has entered into a settlement agreement with the Iowa Insurance Division.
2. The Agreement is attached to this Order as Exhibit 'A'
3. The settlement agreement is appropriate in the circumstances.
4. The Insurance Commissioner has jurisdiction and authority to adopt the agreement.

ORDER

IT IS ORDERED;

1. The settlement agreement is approved and is a final agency action in this matter.
2. Guarantee Trust Life Insurance Company shall comply with all terms of the agreement.

Dated this 14 day of February, 2014



Nick Gerhart
Insurance Commissioner

GUARANTEE TRUST LIFE INSURANCE COMPANY

REGULATORY SETTLEMENT AGREEMENT

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Insurance

Preamble

This Regulatory Settlement Agreement (RSA) is entered into on this ____ day of _____, 2014 ("Effective Date"), by and among Guarantee Trust Life Insurance Company (hereafter GTL) and the Iowa Insurance Division of the State of Iowa (hereafter the IID).

WHEREAS, GTL is an Illinois-domiciled mutual life and health insurer, and at all relevant times has been a licensed insurance company in Iowa; and

WHEREAS, the IID has conducted an examination of GTL concerning the Areas of Review, as hereinafter defined, ("Examination") for the period January 1, 2008, through December 31, 2011 ("Examination Period") the exam arose principally as a result of certain activities of American and Medical Life Insurance Company ("AMLIC") a program manager of a limited medical benefit health insurance plan that was to be issued by GTL; and

WHEREAS, the IID has not issued an examination report pursuant to Iowa Code section 507.10, but the Examination did identify certain procedural issues of concern relating to GTL ("Areas of Review"); and

WHEREAS, the IID and GTL desire to enter into the RSA to resolve completely and finally all of the Areas of Review related to the Examination and the Examination Period; and

WHEREAS, the IID and GTL intend that the RSA shall be and constitute an informal settlement within the meaning of 191 IAC 3.33, and represents a final

disposition of all matters related to the Examination in place of contested case proceedings pursuant to 191 IAC 3.33(1)(b).

NOW therefore, in the interest of resolving finally and completely all Areas of Review raised in the Examination and pertaining to the Examination Period, the IID and GTL stipulate and agree as follows:

SECTION A. Definitions

For purposes of this RSA the following definitions apply:

1. *Additional Administrative Penalty* means an amount which may be assessed under Section C.7 of this RSA.
2. *Areas of Review* means the items listed in Section B.
3. *Blanket policy* means that form of accident, sickness or accident and sickness insurance designed to insure against specified hazards incident to or defined by reference to a particular activity or activities and covering groups of persons for a certain amount of time as further detailed in IAC 191-35.
4. *Corrective Action Plan or CAP* means the required duties that GTL must complete as detailed in Exhibit I.
5. *Effective Date* means the date this RSA is fully executed by the Parties.
6. *Examination Period* means January 1, 2008 through December 31, 2011.
7. *Group* means a collection of individuals which is recognized by Iowa code chapter 509 as eligible to be covered by a Group insurance policy issued and delivered in Iowa.
8. *GTL* means Guarantee Trust Life Insurance Company.
9. *Life insurance products* means policies for Group credit life or individual life insurance.

10. *Limited Health Insurance Products* means policies of insurance for any of the following: critical illness, blanket student accident, blanket health, Medicare supplement, long-term care, hospital indemnity, accident only, specified disease, limited medical health and Group plans for health and dental.
11. *Monitoring Period* means the 12-month period which begins with the first full calendar quarter after the Effective Date.
12. *Parties* mean the IID and GTL.
13. *Policy* means any contract of Life insurance or any Limited Health Insurance Product issued by GTL during the Time Period of the Examination.
14. *Policyholder* means a current or former owner of a Policy. The term *Policyholder* includes the heirs and successors of a Policyholder.
15. *Third-Party Administrator or TPA* means a person who collects charges or premiums from, or who adjusts or settles claims on, residents of Iowa in connection with life or health insurance coverage or annuities as further defined in Iowa code chapter 510 and in IAC 191-58.
16. *Vendor* means any TPA or marketing entity other than an insurance producer with which GTL contracts for the purpose of marketing of any GTL insurance product or service.

Section B. THE AREAS OF REVIEW

GTL acknowledges that in the course of the Examination the IID alleges that certain procedural deficiencies were discovered in the Areas of Review. GTL neither admits nor denies that such deficiencies exist, but agrees to enter into this RSA in order to resolve finally and amicably all issues raised in the Examination and all issues pertaining to the Examination Period. The Areas of Review are:

1. Supervision of Third-Party Administrators (TPAs)
2. Recordkeeping
3. Consumer Complaints
4. Advertising
5. Claims Payment
6. Groups
7. Actuarial
8. Blanket Policy Forms
9. Insurance Producer Supervision
10. Vendor Supervision

Section C. The Corrective Action Plan

1. GTL and the IID have developed a Corrective Action Plan (the CAP), attached as Exhibit I, to address and resolve the IID's concerns regarding the Areas of Review.
2. GTL agrees to implement the CAP and submit to monitoring by the IID of the CAP implementation for the Monitoring Period.
3. GTL shall commence implementation of the CAP within 30 days of the Effective Date.
4. GTL agrees to deliver all reports to the IID as listed in Exhibit II.
5. This RSA is not intended to, nor may it be construed to, limit the authority of the IID to investigate and take action against GTL, its producers, or third parties, as provided by law or regulation, including restitution, rescission or other remediation as permitted by law, with regard to a complaint by a consumer for the exam period or later.
6. GTL agrees to make a payment of \$25,000 for a portion of the Division's costs of investigation in this matter. This payment will be delivered to the Division within 10 business days of the Effective Date of the RSA.
7. GTL agrees that a failure by GTL to satisfy an implementation deadline in the CAP or provide a report required by the CAP may subject GTL to an Additional Administrative Penalty. The maximum amount payable in Additional Administrative Penalties is \$40,000. The maximum amount that can be assessed under this provision is up to \$10,000 for a failure in any one of the quarterly reports set forth in Exhibit II, Section 3, items (A) through (D). The IID will

inform GTL of an apparent default and its intention to impose an Additional Administrative Penalty in accordance with the provisions of this RSA, the Iowa Code and the Iowa Administrative Code.

8. Prior to imposing any Administrative Penalty, GTL will have 60 calendar days from receipt of the notice from the IID to correct the default (or if such default cannot be corrected within 60 days to implement corrective action to cure such default within a reasonable time thereafter).
9. Any proposed Additional Administrative Penalty, or other future administrative order imposed by the IID, including any findings upon which any such penalty or order is based, shall be subject to all administrative and judicial review as provided by law. Failure to timely correct a deficiency leading to the assessment of any Additional Administrative Penalty may result in the immediate commencement of an examination into the deficiency.

Section D. General Provisions

1. The IID confirms and stipulates that it has conducted a thorough Examination of GTL for all matters in the Areas of Review pertaining to the Examination Period. By entering into this RSA, the IID and GTL intend to resolve completely, fully and finally all matters pertaining to the Areas of Review during the Examination Period.
2. This RSA shall be binding on and inure to the benefit of the IID and GTL and their respective legal representatives, successors and assigns.
3. The failure of the IID at any time to require the strict performance by GTL of any of the terms, provisions or conditions of the RSA shall in no way affect the IID's right thereafter to enforce the same, nor shall the waiver by the IID of any breach of any terms, provisions and conditions of the RSA be construed or deemed a waiver of any succeeding breach of any term, provision or condition of the RSA.
4. If GTL defaults with respect to any obligation under this RSA, GTL shall use reasonable efforts to cure such default as soon as reasonably practicable. Notice of a default shall be delivered to the IID within 30 days of GTL's discovery. If GTL does not remedy the default or enter into an agreement with the IID to cure the default within 60 days of notice to the IID (or if such default cannot be corrected within 60 days, GTL will implement corrective action to cure such default within a reasonable time thereafter), the IID may seek administrative or judicial enforcement of this RSA, including but not limited to, additional remedial action or fines.

5. GTL shall not seek or accept, directly or indirectly, indemnification from any policyholder or certificate holder, with regard to any or all of the amounts payable pursuant to this RSA.
6. The IID and GTL may mutually agree, in writing, to any reasonable extensions of time that might become necessary to carry out the provisions of this RSA.
7. The IID and GTL agree that if a deadline or delivery date specified in this RSA falls on a weekend or Iowa or Federal holiday, the item will be due on the next business day.
8. This RSA, including any Exhibits or attachments, sets forth the entire agreement among the parties with respect to its subject matter and supersedes all prior agreements, arrangements or understandings (whether in written or oral form) between GTL and the IID.
9. This RSA, including any Exhibits or attachments, may be amended by the IID and GTL by an agreement in writing signed by both parties.
10. Nothing in this RSA or any of its terms and conditions shall be interpreted to alter in any way the contractual terms of any insurance policy issued by GTL.
11. Except in a proceeding to enforce the terms of this RSA, neither this RSA nor any related negotiations, statements or court proceedings shall be offered by GTL or the IID as evidence of or an admission, denial or concession of any liability or wrongdoing whatsoever on the part of any person or entity, including but not limited to GTL, or as a waiver by GTL of any applicable defense, including without limitation any applicable statute of limitations or statute of frauds.
12. Nothing contained in this RSA shall limit the authority of the IID to address specific instances of consumer complaints, licensing changes, rate and form

filings, investigatory or enforcement actions relating to representatives or insurance producers of GTL, or conducting other office-based regulatory functions relating to matters that occurred after the Examination Period.

13. GTL understands and agrees that by entering into this RSA, GTL waives any and all rights under Iowa law to notice, hearing and appeal regarding this RSA. However, GTL does retain these rights as they pertain to item C(7) regarding Additional Administrative Penalties.
14. This RSA may be signed in multiple counterparts, each of which shall constitute an original, but which taken together shall constitute one and the same instrument.

Section E. Signature Page

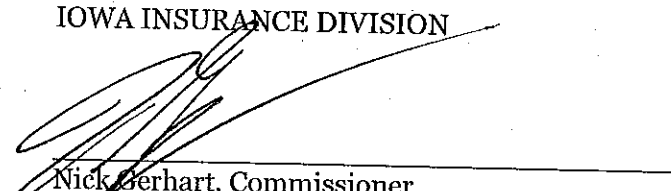
GUARANTEE TRUST LIFE INSURANCE COMPANY

I, Richard S. Holson, hereby affirm that I am the President of Guarantee Trust Life Insurance Company and have the authority to execute this RSA on its behalf.

Dated this 3rd day of February, 2014.


(Signature)

IOWA INSURANCE DIVISION


Nick Gerhart, Commissioner

DATE: 2/10/14

Exhibits

Exhibit I. Corrective Action Plan.....13

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EXHIBIT I.

Corrective Action Plan

A. Supervision of Third-Party Administrators (TPAs)

1. By the end of the first full calendar quarter of the Monitoring Period, GTL will amend all TPA agreements for TPA's licensed in Iowa in accordance with the provisions of the TPA agreement attached hereto as Exhibit III.
2. By the end of the first full calendar quarter of the Monitoring Period, GTL will schedule audits for each Iowa licensed TPA's, which audits will be completed on or prior to the end of the fourth quarter of the Monitoring Period.

B. Recordkeeping

1. GTL will audit TPAs licensed in Iowa who maintain records on its behalf to validate the TPA's compliance with GTL's Record Retention Policy and Procedures. (Current version attached as Exhibit IV).

C. Consumer Complaints

1. On or prior to the end of the second quarter of the Monitoring Period GTL will implement the Amendment to its existing Complaint Tracking System Procedures . (Attached as Exhibit V).
2. GTL will audit TPA's licensed in Iowa to validate the TPA's compliance with GTL's Complaint Tracking System Procedures.

3. During the first quarter of the Monitoring Period, GTL shall notify all of its Iowa Licensed Agents and Producers (including Platinum Supplemental Insurance, Inc. (f/k/a Platinum Services Inc.), that all Complaints concerning GTL's products must be reported to GTL within 3 days of the date that the complaint is received.
4. GTL will monitor all complaints about its products received by or through an Agent or Producer in accordance with its existing complaint tracking system.
5. GTL acknowledges that it is responsible for the handling of all complaints regarding its products and those agents/producers selling its products (to the extent that the agents/producers actions are related to GTL products).

D. Advertising

1. GTL will implement the Iowa Advertising Guidelines attached hereto as Exhibit VI, during the first full calendar quarter of the Monitoring Period, and will report to the IID each quarter on the progress made in implementing this policy.
2. GTL's Advertising Policy is attached hereto as Exhibit VII. This policy will remain in effect during the term of this Monitoring Period.

E. Claims

1. By the end of the first full calendar quarter of the Monitoring Period, GTL will review its claims-processing guidelines to provide for the provisions set forth in Section E(2) below.
2. The guidelines must include at least the following:
 - a) Claim denials will be fully documented to show the reason for the denial or reason payment has not been made.
 - b) Payment of claims will be done in compliance with Iowa prompt pay requirements. The claims manuals of GTL will be updated in accordance with the provisions of Exhibit VIII. If a claim has not been paid in accordance with the Iowa prompt pay requirements, GTL will pay interest to the policy holder in accordance with Iowa law.
 - c) During GTL's audit of TPA's it will review the TPA's Claims Handling procedures to validate that the TPA is handling the Claims in accordance with (a) and (b) above.
3. By the end of the second full calendar quarter, GTL will complete communication of the enhanced guidelines to GTL personnel and GTL will begin to monitor compliance with the enhanced guidelines.

F. Groups

1. GTL will implement the "Guidelines for Review and Evaluation of Group Life, Accident or Health Insurance" attached hereto as Exhibit IX during

the first full calendar quarter of the Monitoring Period, and will report to the IID each quarter on the progress made in implementing this policy.

2. By the end of the third full calendar quarter, GTL will have conducted a review of all existing Iowa Groups and determined each Groups' eligibility for policy renewal as a bona fide Group insurance policyholder under Iowa Law. Groups identified as not eligible for group status will be informed that their policy will be non-renewed at its next anniversary.

G. Blanket

1. GTL will implement the "Guidelines for Review and Evaluation of Blanket Accident and Sickness Insurance" attached hereto as Exhibit X during the first full calendar quarter of the Monitoring Period, and will report to the IID each quarter on the progress made in implementing this policy.

H. Actuarial

1. By the end of the third full calendar quarter, GTL will conduct a review to ensure appropriate guidelines exist for policy design and actuarial review methods. These guidelines will confirm that GTL will routinely monitor actual to expected claims experience by product type. It will also focus not only on overall experience throughout the country, but also analyze state by state experience to ensure that the pricing remains reasonable with respect to benefits and is not unfairly discriminatory.
2. GTL will submit an Actuarial Experience Study as a part of its Final Report.

EXHIBIT II.

Reports and Compliance Dates

1. Within Fifteen business days of the end of each of the first three quarters of the Monitoring Period, GTL will submit a written progress report. The report will summarize the actions taken to date and will include any anticipated problems with meeting the compliance dates. These progress reports may be delivered electronically to mary.butler@iid.iowa.gov.
2. Within 30 days of end of the Monitoring Period, GTL will submit a final report. The final report will attest that all required enhancements have been completed. In the alternative, GTL may request an extension of the Monitoring Period to finalize implementation of all required enhancements.
3. Compliance Dates:
 - A. Reports due by the end of the First Calendar Quarter:
 - 1) Amendment of TPA agreement for all Iowa TPAs and schedule Audits
 - 2) Advertising. Implementation of Iowa Advertising Guidelines.
 - 3) Claims. Implementation of the Claims Policy Amendments.
 - 4) Group. Implementation of Guidelines for Review and Evaluation of Group Life, Accident or Health Insurance.
 - 5) Blanket. Implementation of Guidelines for Review and Evaluation of Blanket Accident and Sickness Insurance.

B. Reports due by the end of the Second Calendar Quarter:

- 1) Claims -- Confirmation and Monitoring of Claims Processing procedure at GTL.
- 2) Update on Iowa Advertising Guideline implementation.
- 3) Consumer Complaints. Implementation of the Consumer Complaint tracking System Procedures.
- 4) Update on Guidelines for Review and Evaluation of Group Life, Accident or Health Insurance implementation
- 5) Update on Guidelines for Review and Evaluation of Blanket Accident and Sickness Insurance.

C. Reports due by the end of the Third Calendar Quarter:

- 1) Update on Iowa Advertising Guideline implementation.
- 2) Claims. Confirmation and Monitoring of Claims Processing procedure at GTL
- 3) Actuarial Plan
- 4) Group. Update on Guidelines for Review and Evaluation of Group Life, Accident or Health Insurance implementation
 - i. Review of existing Groups to determine eligibility under Iowa Law.
- 5) Blanket. Update on Guidelines for Review and Evaluation of Blanket Accident and Sickness Insurance.

D. Final Report due within thirty days of the end of the Fourth Calendar Quarter:

- 1) Actuarial Experience Study
- 2) Confirmation of Audits of Iowa TPAs and reports concerning
 - i. Complaint Tracking
 - ii. Record Retention Policy
 - iii. Claims processing procedure
- 3) Group. Update on Guidelines for Review and Evaluation of Group Life, Accident or Health Insurance implementation
- 4) Blanket. Update on Guidelines for Review and Evaluation of Blanket Accident and Sickness Insurance.

EXHIBIT III

**GUARANTEE TRUST LIFE INSURANCE COMPANY
ADMINISTRATIVE
SERVICES AGREEMENT**

This Administrative Services Agreement (hereinafter "Agreement") and attached Addenda incorporated herein by reference, is made between _____, Third Party Administrator (hereinafter "TPA") and Guarantee Trust Life Insurance Company, an Illinois Corporation located at 1275 Milwaukee Avenue, Glenview, Illinois 60025 (hereinafter "GTL"), collectively "Parties" and takes effect _____.

WHEREAS, GTL desires TPA to perform certain services identified in Addendum A (hereinafter "Services") in regard to administering the insurance programs identified in Addendum B (hereinafter Business); and

WHEREAS, TPA intends to administer the Business to those eligible persons or entities to which GTL policies and/or certificates will be issued (hereinafter "Policies"); and

WHEREAS, GTL and TPA agree to do business, are authorized to do business in accordance with the terms of this Agreement, and are properly licensed, and authorized to engage in transacting said insurance business; and

NOW, THEREFORE, in consideration of the mutual covenants, conditions and promises set forth herein, GTL and TPA agree as follows:

This Agreement and Addenda shall continue in effect until terminated in accordance with the Termination provision described herein.

**PART I
GENERAL PROVISIONS**

1.1 The TPA agrees to perform any or all of the following services as identified in Addendum A in regards to administering the Business for each person or entity to which GTL Policies will be issued as set forth in Part 1 (1.2):

1. Administrative Services
2. Underwriting Services
3. Premium Billing Services
4. Claim Processing Services
5. Managed Care and Cost Containment Services

If any of the above referenced services are not required according to Addendum A, the corresponding sections in this Agreement should be disregarded.

- 1.2 TPA shall administer, service and underwrite the Business based on rules, regulations, procedures, directives and guidelines provided to TPA and/or approved by GTL ("Procedures"). GTL's review and adoption of Procedures shall be made timely and in full consultation with TPA. Such Procedures shall be performed in accordance with the guidelines set forth in Addendum C, if applicable.

GTL shall provide TPA with at least 90 days written notice of changes to Policies and to the Procedures related to administering and servicing Policies to, unless a shorter notice is necessary due to statute or regulation, permit TPA sufficient time to undertake any actions necessitated by these changes.

TPA agrees to adopt and implement those written Procedures as mutually agreed upon with GTL and as amended and/or as enlarged from time to time as mutually agreed upon with GTL to administer and service Policies properly and efficiently.

PART II ADMINISTRATIVE SERVICES

- 2.1 TPA shall perform the following administrative services on Policies required by Procedures, and acceptable to GTL and in accordance with any and all applicable rules and regulations of regulatory authorities.

- (a) Process applications for coverage according to the Procedures.
- (b) Prepare and issue certificates or policies using forms approved by GTL and the applicable state for each eligible person or entity (hereinafter "Insured(s)").
- (c) Remit premium payments received from Insureds that are billed and collected by TPA pursuant to this Agreement.
- (d) Audit premium payments and billing copies received to verify the accuracy of the payments.
- (e) In addition to specific reports referenced herein, prepare and transmit to GTL, management reports containing such information as reasonably requested by GTL to properly monitor the Business and to fulfill GTL's financial and data reporting obligations.
- (f) Calculate and pay commissions to duly licensed and appointed agents in a timely fashion according to a mutually agreed upon commission schedule.
- (g) Process all correspondence with brokers, subagents and Insureds.
- (h) Perform any other administrative services as may be agreed upon by the Parties to this Agreement.

- 2.2 TPA agrees to establish and maintain adequate records (computer files, enrollment cards, etc.) to document that all Insureds are eligible for coverages originally applied for, or subsequently added or deleted under the provisions of the Policy. These records are to be used as the basis for establishing that claim payments are made only for expenses incurred while an Insured is eligible.

**PART III
UNDERWRITING SERVICES**

- 3.1 TPA shall underwrite all applications/enrollment forms at its expense for GTL and shall follow those underwriting Procedures as required by GTL.
- 3.2 GTL agrees that it expressly retains sole authority to establish the Procedures for approval of applicants for coverage under the Policies. Any Procedures, which will be provided to TPA by GTL shall be considered proprietary by GTL and held in confidence by TPA unless GTL adopts an underwriting manual developed by TPA in which event that manual and the procedures contained therein shall be considered proprietary to both GTL and TPA and held in confidence by the parties. TPA shall be responsible for ensuring that the appropriate TPA's personnel are instructed in the application and use of these underwriting rules.

**PART IV
PREMIUM PAYMENTS**

- 4.1 The payment of any premiums or charges for insurance by or on behalf of an Insured to TPA shall be deemed to have been received by GTL. The payment of return premiums by GTL to TPA shall not be deemed payment to an Insured or claimant until such payment is received by the Insured or claimant.
- 4.2 TPA shall establish a premium deposit account into which TPA shall immediately deposit in a fiduciary capacity any premiums or charges for insurance by or on behalf of an Insured at a bank selected by TPA and acceptable to GTL. The bank shall be a member of the Federal Reserve System. By the end of the first business day following the date of deposit, TPA shall make a determination of the amount of the deposited funds that are due and payable to GTL and to TPA. Upon guaranteed availability of those funds from the bank, TPA shall transfer to an account held in trust with GTL's name (the "Fiduciary Account") the amount of premiums due to GTL and shall transfer from the Fiduciary Account to TPA's operating account the net amount due to TPA. TPA shall have authority to make withdrawals from the Fiduciary Account for the following items:
- a. remittance to GTL;
 - b. payment to TPA for its compensation and separately designated fees as outlined in Part XIV;
 - c. reimbursement of premium overpayments;
 - d. payment to soliciting agents, brokers, and other entities of any commissions earned on the Business;
 - e. investment in a money market fund held in the same name as the Fiduciary Account;
 - f. payment into a claim account as provided in the Procedures.

Any interest earned by the Fiduciary Account and investment gains from the money market fund shall be the property of TPA and TPA may withdraw such earned interest and investment gains from the Fiduciary Account.

Except as provided in this paragraph 5.2, TPA shall not have authority to make withdrawals from the Fiduciary Account.

- 4.3 A final settlement and premium reconciliation in a format acceptable to GTL will be made by TPA and delivered to GTL no later than the 15th day (or a day other than the 15th that is mutually acceptable to GTL and the TPA) after the end of each calendar month for all premiums earned and collected for all months on or before that calendar month. Additional reports required by GTL to complete its monthly financial reporting will be provided no later than the end of each calendar month for the month before that calendar month. TPA shall maintain on behalf of GTL all records of deposits to and withdrawals from the account and shall provide a listing thereof to GTL on request.
- 4.4 The TPA agrees, if required by the Procedures, to produce and send a monthly list billing indicating coverage type, dependent coverage status, premium due and effective dates of coverage for each person/member covered under the Policy to the policyholder.
- 4.5 TPA shall send coverage lapse notices to Insureds for nonpayment of premium in accordance with the Procedures and shall keep copies of said lapse notices available for GTL audit.

PART V CLAIM SERVICES

- 5.1 TPA shall perform the claim services listed below on behalf of GTL using forms approved by GTL and in strict compliance with the Policies, with GTL Procedures and claims payment standards and in strict compliance with all applicable rules and regulations of regulatory authorities.
- (a) Determine benefits and issue payment for valid claims under the Policies.
 - (b) Maintain complete claim and claim payment records.
 - (c) TPA shall comply in all respects with GTL claim review Procedures.
- 5.2 In the event that the amount of the claim for any illness or injury on behalf of any insured exceeds the amount defined in Addendum C, such claim must be referred to GTL for approval.
- 5.3 GTL will make the final determination of any claim that is denied in whole or in part by TPA on behalf of GTL that exceeds the amount defined in Addendum C and with respect to which an appeal has been made.
- 5.4 Claim Processing Standards
- a. After all information necessary to adjudicate a claim has been obtained, the TPA agrees to process at least 90 percent of all claims within 10 business days and the remaining 10 percent as soon as possible but in no event later than 30 calendar days from the original date of receipt of the necessary claim information. With respect to weekly indemnity claims, if any, the TPA agrees to process one hundred percent within 10 business days.
 - b. The TPA agrees to maintain a financial accuracy level of 99 percent or greater as calculated by adding over and underpayments, without regard to plus or minus signs, and

subtracting that amount from total dollars audited. The result is divided by total dollars audited.

- c. The TPA agrees to maintain a procedural accuracy level, as defined in Addendum C, using GTL's criteria and procedures explained in the Addendum.
- 5.5 If the TPA has determined that any claims should be denied in whole or in part and an appeal or a request for review is made by the insured, or on behalf of the insured, the TPA shall notify GTL of the appeal, counter-appeal, or potential litigation within 24 hours. After this initial notification, and upon request, the TPA will furnish GTL within five business days all claim files and other documentation necessary for appeal, counter-appeal. GTL shall have the final decision as to the appeal, counter-appeal, or potential litigation resolution.
- 5.6 The TPA shall notify any claimant when claim payment is delayed, or denied under the terms of the applicable Policy. The TPA shall to make such notification in the manner and within the time frame established by applicable state and federal statutes(s) and regulation(s).
- 5.7 When a Policy terminates and the TPA has provided claim processing services, the TPA, at GTL's request, shall process claims submitted pursuant to extension or continuation or benefits provision of the Policy. This shall apply to other similar provisions whether stated in the terminated Policies or required by applicable federal or state law. At the option of GTL, the TPA shall perform run-off claim processing services for up to three months after the Policy termination date without additional compensation paid by GTL.
- 5.8 Where necessary to properly adjudicate a claim, the TPA, at its expense, will order medical records, and other investigative documents.
- 5.9 The TPA shall maintain books and records of all transactions between itself and GTL, policyholders, all insured persons/members for a period of seven years, or longer if required by applicable federal or state statute. It is agreed that such books and records will be maintained at the TPA's principal location (identified on first page of Agreement) otherwise at GTL's warehouse. The TPA shall pay shipping charges to GTL's warehouse. The TPA hereby acknowledges that the claim files and records established by it are the exclusive property of GTL's and shall not be moved, stored at a location other than the one designated herein, microfilmed, destroyed, purged, or discarded without GTL's prior written authorization.\

PART VI CLAIM PAYMENT AUTHORITY

- 6.1 TPA shall pay claims by drafts or checks drawn on GTL bank account established for that purpose under the Procedures established by GTL.
- 6.2 In the event that it becomes necessary for GTL to terminate TPA's payment issuing authority (in accordance with Part XIX of this Agreement), such authority shall terminate immediately upon notice from GTL. Upon such termination, TPA shall immediately transfer to GTL at GTL expense all unused drafts.

PART VII MANAGED CARE AND COST CONTAINMENT SERVICES

- 7.7 TPA shall subcontract with registered and licensed provider networks (directly authorized by their participating providers when that authorization is required by law) to make participating providers in the network available to all Insureds under the Policies for discounted reimbursement of health care service fees. If an applicant elects to participate in a provider network on behalf of its covered persons/members, TPA shall bill the applicant directly for

access fees charged by the network. If an applicant does not elect to participate in a network, TPA shall assign each Covered Person/Member under that applicant's health benefit plan to a network so that each Covered Person/Member and GTL shall have the benefit of discounted reimbursement of health care service fees for any Covered Person/Member who uses a network provider. These network access fees shall be treated as a claims or loss adjustment expense.

- 7.2 TPA shall provide case management, hospital bill audit, bill review and other claims cost control services through subcontracts with vendors. When these vendors are paid based upon claim savings, these charges shall be treated as claim expenses. Vendors that are contracted on a fixed fee basis will be reimbursed by TPA.
- 7.3 TPA shall provide utilization review and case management oversight services. Utilization review consists of precertification, length of stay review, continued stay review and discharge follow-up. Case management oversight consists of managing on-site case managers, and when appropriate and practical, telephone case management. GTL and its reinsurer shall compensate TPA for utilization review and case management oversight services according to the fee schedule set forth in Addendum A. Utilization review and case management oversight fees shall be treated as a claims or loss adjustment expense.
- 7.4 TPA shall provide GTL with a copy of each managed care contract applicable to the Business. TPA may not benefit financially or receive compensation in any way as a result of these contracts beyond their respective fee levels listed in Addendum A. Performance of managed care and cost containment services is included in the compensation listed in Addendum A.

PART XIII RECORDS

- 8.1 TPA shall comply with the Guarantee Trust Life Insurance Company Record Retention Policy and Procedures, and shall maintain for GTL a complete history of all in-force Policies ending 7 years from date of termination of each. The books and records of all transactions between TPA and all Insureds, and between TPA and GTL, except for in-force policies, shall be maintained by TPA for a 7-year period beginning on the date the record was written or otherwise formulated and in accordance with privacy standards of insurance record-keeping and all applicable rules and regulations of regulatory authorities. GTL retains the right to continuing access to TPA's books and records needed by GTL to fulfill all its obligations under the Policies. All records maintained by TPA for the Business shall be made available to GTL with reasonable notice during normal business hours for review, inspection and examination in a form consistent with the way in which they are maintained.
- 8.2 At all times, all claims and underwriting records including data on magnetic storage media held by TPA, excluding computer software developed or purchased by TPA, are the property of GTL. TPA has the right to retain copies of such records.

PART IX DELIVERY OF DOCUMENTS

- 9.1 All policies/certificates, policy/certificate material and written communications pertaining to the Business shall be promptly delivered to the appropriate parties by TPA.

**PART X
AUDIT**

- 10.1 TPA's standard business practices shall be considered part of the Procedures, and shall be subject to GTL's audit review.
- 10.2 TPA shall maintain all underwriting files for GTL subject to audit review.
- 10.3 GTL retains the right to audit all books, records and files at anytime during such period at GTL's expense.
- 10.4 GTL shall be entitled to make audits of the records, books and accounts of TPA relating to the Business to determine the accuracy of administration of the Business. Those audits shall be with reasonable notice and during normal business hours, and TPA shall cooperate to the fullest extent in accommodating all such audits. GTL, at its expense, shall conduct on-site audits of TPA and the Business at least annually. This audit may be conducted by an auditing firm, which will perform an audit of the services provided by TPA to multiple carriers under TPA's administrative service agreements. If GTL elects to participate in this combined audit GTL shall share in the costs for this combined audit with other carriers participating in this audit.
- 10.5 The Commissioner or Director of Insurance for a given state shall have access to TPA's books and records for the purpose of examination, audit and inspection. This audit shall comply with all applicable requirements of the various regulatory authorities having jurisdiction over TPA.

**PART XI
USE OF NAME, IMAGE AND LIKENESS**

- 11.1 All Administrative material bearing GTL's name will be subject to GTL prior written approval.
- 11.2 TPA may use no materials bearing GTL's name, which are distributed to agents, or insureds, except with GTL's prior written approval.

**PART XII
COMPLAINTS AND LITIGATION**

- 12.1 TPA shall notify GTL within 24 hours of any correspondence from or inquiries by any state regulatory agency concerning the Business, and of any litigation or threatened litigation of which TPA becomes aware in connection with the Business.
- 12.2 GTL shall be responsible for responding to any inquiries or complaints from governmental authorities. In addition to forwarding such complaint to GTL, TPA shall cooperate fully in providing GTL records or other information as needed by GTL to respond to the complaint.
- 12.3 TPA shall maintain a complaint log of all complaints. "Complaints" for purposes of this paragraph include any written correspondence from an insured, agent, provider, attorney or beneficiary, which expresses a specific grievance about the manner in which a matter was handled administratively and which solicits a response. The complaint log shall be provided to GTL on a weekly basis.

- 12.4 In the event that only TPA is named in a filed lawsuit that relates to the Business, TPA will control such litigation, including the choice of counsel and shall bear all the costs of such actions. In the event that either GTL is solely named or both GTL and TPA are named in a filed lawsuit arising out of the performance of this Agreement, GTL will control such litigation including the choice of counsel and shall bear costs related to the defense of such action; provided, however, if it is determined that a conflict of interest exists, TPA shall retain its own counsel and shall be responsible for and shall pay the costs of its own defenses.

PART XIII COMPENSATION

- 13.1 As compensation to TPA for the services rendered by it to GTL under this Agreement, GTL agrees to pay to TPA a service fee pursuant to Addendum A. Such compensation is in no way contingent on claims experience. This paragraph shall not prevent TPA's compensation from being based on premiums or charges collected or number of claims processed.
- 13.2 TPA shall pay all expenses incurred in the performance of services herein, including, but not limited to, expenses such as rental of office space, transportation, staffing and training, printing, telephone, telegrams, postage, and/or expressage and freight (including, but not limited to the shipment of claim files for storage).
- 13.3 TPA shall pay for the printing of all forms used in administering the plans including, but not limited to, applications, certificates, riders, notices, identification cards, claim forms, claim drafts, claim letters, billing statements, lapse notices, administrative instructions, pre-certification materials, change forms including any forms required by changes in federal or state law, decline notices, Attending Physician Statements ("APS"), microfilming charges, postage and handling.

PART XIV RELATIONSHIP OF PARTIES

- 14.1 The Agreement constitutes the entire agreement between TPA and GTL and cancels, replaces or supersedes any and all prior agreements, oral or written. No waiver or modification of any of the terms or conditions hereof shall be valid or binding on the parties unless in writing and signed by TPA and GTL. Nothing contained in this Agreement shall be construed to create the relationship of employer and employee, or the relationship of principal and agent, between GTL and TPA. TPA's authority shall be limited to that which is expressly stated in this Agreement, or incorporated by reference to this Agreement, GTL shall exercise no control over the hours, office location, rentals, or employees of TPA.
- 14.2 This Agreement may not be assigned in whole or in part by TPA without the prior written approval of GTL. Any assignee shall be bound by the terms of this Agreement. In the event of such assignment, GTL must be notified and consent.
- 14.3 TPA and GTL each reserves the right to control and use its name and all symbols, trademarks or service marks presently existing or later established. GTL may not identify TPA in its advertising, promotional materials and publications without TPA's prior written consent. GTL consents to TPA's identifying GTL in administrative materials provided to Insureds and agents, subject to Section 12.1. All unauthorized use by a party of the name, symbols, trademarks or

service marks of such other party shall cease immediately upon written notice by the other party or termination of this Agreement whichever occurs first.

- 14.4 The TPA agrees to notify GTL within 24 hours after a change in ownership of the TPA that is greater than 10 percent has occurred or that the TPA has filed for bankruptcy proceedings or that the TPA has been served with an involuntary bankruptcy petition.

PART XV PROHIBITIONS

- 15.1 TPA shall not modify any term or condition of any Policy or waive any provision thereof.
- 15.2 TPA shall not administer the Business in any state where TPA is not properly licensed or where GTL has not given written authorization to market as indicated in the Addendum B.
- 15.3 TPA shall not underwrite the Business in any state where TPA is not properly licensed or where GTL has not given written authorization to market as indicated in Addendum B.
- 15.4 TPA shall not administer premium payments in any state where TPA is not properly licensed or where GTL has not given written authorization to administer premium payment as indicated in Addendum A.

PART XVI INDEMNIFICATION AND INSURANCE

- 16.1 TPA shall indemnify and hold GTL harmless against any expenses, losses, claims, damages, liabilities and reasonable attorneys' fees to which GTL becomes subject and pays (except insofar as such arise from (i) the specific instructions and directions of GTL to TPA or (ii) the failure of GTL to perform any act required under this Agreement) which:
- a. arise from, out of, in relation to, or in connection with any real or alleged acts, actions or omissions committed by TPA which are not authorized by the terms of this Agreement; or
 - b. result from the failure of TPA to perform any acts required by law or under this Agreement to be performed by TPA.
- 16.2 GTL will and hereby agrees to indemnify and hold TPA harmless against any expenses, losses, claims, damages, liabilities and reasonable attorneys' fees to which TPA becomes subject and pays (except insofar as such arise from the failure of TPA to perform any act required under this Agreement) which:
- a. arise from, out of, in relation to, or in connection with any acts, actions or omissions committed by GTL which are not authorized by the terms of this Agreement; or
 - b. result from the failure of GTL to perform any acts required by law or under this Agreement to be performed by GTL.
- 16.3 Upon receipt by either of the parties hereto of any written notice of the commencement of an action with respect to which indemnification may be sought from the other party hereto, the party receiving such notice shall notify the other party in writing following the receipt thereof of the commencement of such action.

Subject to Part XIII hereof, such other party shall be entitled to participate in and to the extent it may wish, assume the defense of such action with counsel satisfactory to the party seeking indemnification. In the event such other party recommends a monetary settlement which is acceptable as full settlement by the plaintiff in such action and such recommended settlement is rejected by the party seeking indemnification, the indemnification hereunder by such other party shall be limited to the amount of such recommended settlement.

If settlement of such action is agreed to by both parties hereto, the indemnifying party shall pay all expenses, losses, claims, damages, liabilities and reasonable attorney's fees incurred in the settlement of such action.

- 16.4 TPA shall maintain, at its own expense, insurance in effect that provides protection to GTL to cover loss by reason of acts of fraud, dishonesty, errors, omissions or negligence. TPA shall acquire and maintain a fidelity bond for GTL's protection in the amount of \$1,000,000 and TPA shall also maintain an errors and omissions insurance policy with a per occurrence coverage limit of \$1,000,000 and a policy aggregate limit of \$2,000,000. Upon request, TPA shall provide GTL with a copy of its errors and omissions policy and proof that the policy remains in force. TPA shall notify GTL of its intent to change carriers or terminate the policy or if the policy is cancelled for any reason. The above amounts shall be further adjusted to such larger amounts as may be required by State Insurance Departments.
- 16.5 The TPA further agrees that if GTL pays any amount owed by the TPA for which the TPA is responsible under the terms of this Agreement, GTL may deduct the amount from any fee payable to the TPA for services performed under this Agreement.

PART XVII REGULATORY AUTHORITIES

- 17.1 In the conduct of its business and in the performance of its obligations under this Agreement, TPA shall comply with all applicable statutes, ordinances, rules, and regulations of any and all federal, state and municipal regulatory authorities. Where required by state law, TPA shall hold a certificate of registration as a Third Party Administrator ("TPA") issued by the Department of Insurance or other applicable regulatory body. Also, GTL and TPA will modify this Agreement where required by state law with respect to each state that has enacted a statute requiring written agreements between Third Party Administrators and insurers, and where any requirements of those states conflict with any term of this Agreement, the former shall control, but only with respect to the state to which it applies.
- 17.2 It is understood and agreed that any change to this Agreement regarding and affecting business written or administered for residents in states which require that notice of such changes be communicated to the appropriate regulatory authorities, shall be complied with TPA in full and by GTL by providing notice to such regulatory authorities having administrator notice requirements.

PART XVIII CONFIDENTIALITY AND PERMITTED DISCLOSURE OF PROTECTED HEALTH INFORMATION

- 18.1 All claims, records or any other information obtained and held by TPA and pertaining to applicants, insureds, policyholders or beneficiaries of the insurance policies subject to this Agreement are confidential property of GTL and shall be held by TPA in strict confidence. TPA shall not use, disseminate, share, sell loan, publish, divulge or otherwise provide to any third parties such information except as necessary to, and only for the purposes of, performing its duties and obligations under this Agreement.

- 18.2 In addition to the requirements of section 19.1 above, TPA shall comply with the following provisions of this part when the TPA is involved with the use or disclosure of Protected Health Information. Notwithstanding any other provision in this Agreement to the contrary, the following obligations of TPA in this Part XIX shall take precedence when using such Protected Health Information.
- 18.3 Except as otherwise specified herein, the TPA may make any and all uses of Protected Health Information necessary to perform functions, activities, or Services for, or on behalf of GTL and to fulfill its obligations under this Agreement provided such use or disclosure would not violate the Privacy Rule if done by GTL. All other uses of Protected Health Information not authorized by this Agreement are prohibited.
- 18.4 Unless otherwise limited by this Agreement, the TPA may use and disclose the Protected Health Information in its possession for its proper management and administration and to fulfill any present or future legal responsibilities of the TPA, as are permitted under state and federal confidentially laws.
- 18.5 Definitions
- a. Required by Law shall have the same meaning as set forth in 45 CFR 164.501 as currently in effect and as may be subsequently amended.
 - b. Privacy Rule shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR, Part 160 and 164 subparts A and B as currently in effect and as may be subsequently amended.
 - c. Protected Health Information shall have the same meaning as set out in 45 C.F.R. 164.501, as such provision is currently in effect and as may be subsequently amended. Protected Health Information is limited to the information created or received by the TPA from or on behalf of GTL.
 - d. Individual means the person who is the subject of Protected Health Information.
- 18.6 With regard to its use and/or disclosure of Protected health information, the TPA hereby agrees to the following:
- a. To not divulge, copy, release, sell, loan, review, alter or destroy any Protected Health Information except as properly authorized pursuant to the terms of this Agreement or as otherwise Required by Law;
 - b. To report to the 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 the TPA becomes aware within 15 days of the TPA's discovery of such unauthorized use and/or disclosure. Reports made in good faith about suspect activities will be held in confidence to the extent Required By Law, including the name of the individual reporting the activities.
 - c. To establish procedures for mitigating any deleterious effects, to the extent practicable, any improper use and/or disclosure of Protected Health Information in violation of this Agreement.

- d. To use commercially reasonable safeguards to maintain the security of Protected Health Information and to prevent unauthorized use and/or disclosure of such Protected Health Information
- e. To require all of its subcontractors and agents that receive, use or have access to Protected Health Information under this Agreement to agree in writing to adhere to the same restrictions and conditions on the use and/or disclosure of Protected Health Information that apply to the TPA.
- f. To make available all records, books, agreements, policies and procedures relating to the use and/or disclosure of Protected Health Information received from, or created or received by the TPA, on behalf of GTL available to GTL, or at the request of GTL to the Secretary of the Department of Health and Human Services in a time and manner designated by GTL or the Secretary for the purpose of the Secretary to determine GTL's compliance with the Privacy Rules, subject to attorney client and other applicable privileges;
- g. To safeguard and not disclose any access code or any other authorization TPA has that allows TPA access to confidential information. TPA accepts responsibility for all activities undertaken using such access code and other authorization;
- h. To provide access, at the request of GTL, and in the time and manner designated by GTL to Protected Health Information in a Designated Record Set, to GTL or, as directed by GTL, to an Individual in order to meet the requirements under 45 CFR 164.524.
- i. To make any amendment(s) to Protected Health Information in a Designated Record Set that GTL directs or agrees to pursuant to 45 CFR 164.526 at the request of GTL or an Individual, and in the time and manner designated by GTL.

18.7 TPA shall ensure that all members of its workforce are trained on the policies and procedures with respect to Protected Health Information that is required as necessary and appropriate for the members of the workforce to carry out their function(s) as set forth in this Agreement. Training must meet the following requirements:

- a. training must be provided to each member of TPA's workforce, as set forth above, no later than the compliance date established in this Agreement;
- b. thereafter, training shall be provided to each new member of the workforce within a reasonable period of time after the person joins the TPA's workforce; and
- c. training shall be provided to each member of TPA's workforce whose functions are affected by a material change in the policies or procedures required either by this Agreement or state or federal law, within a reasonable period of time after the material change becomes effective.

18.8 TPA must document to GTL that the training as described above has been provided to members of its workforce.

18.9 TPA agrees to provide to an Individual, as requested by such Individual or GTL, information necessary to respond to a request by an Individual for an accounting of disclosures of Protected Health Information in accordance with 45 CFR 164.528.

PART XIX
TERM –TERMINATION

- 19.1 This Agreement shall be effective for one year and shall automatically renew on the Anniversary Date, for a new one-year period unless prior notice of termination is provided. Either party may non-renew this Agreement by giving to the other party 60 days written notice of its intent to non-renew; in which event the Agreement shall terminate at the end of the then current term. If TPA gives notice to non-renew this Agreement pursuant to this paragraph, TPA shall continue to perform its duties under this Agreement with continued compensation as outlined in Addendum A and this Agreement will not terminate until such time as GTL can transfer the Business to another administrator. This Agreement also may be terminated as provided in paragraphs 20.2 or 20.3 hereof or by mutual agreement.
- 19.2 This Agreement shall terminate at the option of GTL on the date specified by GTL on the occurrence of any of the following events:
- (a) Cessation of TPA's business.
 - (b) Bankruptcy, receivership, or dissolution of TPA.
 - (c) Failure by TPA to comply with the provisions of this Agreement where such failure is not remedied within the thirty (30) days or subsequent mutually agreed time period referenced in 20.4 after receipt of written notice thereof.
 - (d) Gross negligence, fraud or embezzlement on the part of TPA as it relates to the Business.
 - (e) Failure by TPA to comply with applicable state licensing requirements that is not remedied within thirty (30) days after receipt of written notice thereof, in which this Agreement will terminate with respect to such state.

When termination of this Agreement results from any occurrence identified in (a) through (e) above or with respect to the Business in a given state under (e) above, GTL may move the Business to its Home Office or assign it to another third party administrator for servicing.

- 19.3 Upon termination of this Agreement pursuant to paragraph 20.2 or 20.3, TPA and GTL will cooperate with each other in accomplishing a speedy and orderly transition of the administration of the Business.
- 19.4 If TPA fails to perform the services or responsibilities under this Agreement in accordance with the terms hereof or in accordance with the Procedures, GTL may give TPA notice of TPA's failure to perform. TPA shall then have thirty (30) days to remedy that failure; provided, however, if prior to the end of the thirty (30) days remedy period, TPA provides GTL with written notice that it is acting in good faith to remedy the situation and expects to have resolved the problem within a short period, GTL shall give TPA an additional mutually agreed time period to remedy the failure. If at the end of such mutually agreed time period TPA fails to take the corrective action necessary to remedy that failure subject to GTL audit review, GTL may withdraw from TPA such services and responsibilities in which case TPA shall relinquish to GTL the compensation for such services and responsibilities as shown in Addendum A, as of the date of such withdrawal. GTL may suspend the authority of TPA to underwrite applications during the period of any such withdrawal of other services or responsibilities.

- 19.5 At GTL's option, the TPA agrees to box, label and present to GTL's representative(s) at the TPA's address all original documents, books, records, tapes, signature stamps, equipment and any other materials maintained by the TPA and which were or are used and/or developed in connection with the performance of services under this Agreement within 5 business days of such request. GTL retains the right to inspect and verify the completeness of the date. The TPA further agrees to cooperate and allow GTL's representative(s) sufficient time to effect removal.

PART XX DISPUTE RESOLUTION

- 20.1 Except with respect to injunctive relief as provided in paragraph 17.4, neither party shall institute a proceeding in any court or administrative agency to resolve a dispute between the parties before that party has sought to resolve the dispute through direct negotiation with the other party. If the dispute is not resolved within thirty (30) days after a demand for direct negotiation, the parties shall attempt to resolve the dispute through mediation. Within fifteen days (15) after the direct negotiation period ends, the parties shall agree on a mediator who shall have no existing or former relationship with either party. If the parties fail to agree on a mediator, either party may request the American Arbitration Association to appoint an impartial mediator. If the mediator is unable to facilitate a settlement of the dispute within a reasonable period of time, as determined by the mediator, the mediator shall issue a written statement to the parties to that effect and the aggrieved party may then seek relief through the courts or administratively. All proceedings hereunder shall be held in Glenview, Illinois. Each party shall pay one-half of the fees and expenses of the mediator. Nothing in this paragraph precludes the parties from agreeing to submit the dispute for resolution by arbitration under conditions and procedures to be agreed upon in advance and set forth in an arbitration agreement. The prevailing party in any arbitration, litigation, administrative proceeding or appeals arising out of this agreement shall recover its expenses and costs including reasonable attorney's fees from the other party.

PART XXI ASSIGNMENT PROHIBITED

- 21.1 The TPA named above agrees to perform all services identified in the Addenda will not subcontract or otherwise arrange with any other party to perform such services on the TPA's behalf without first securing written permission from GTL. No right, interest or obligation provided for in this Agreement is assignable without the prior written authorization of GTL.

PART XXII CONTROLLING LAW

- 22.1 This Agreement shall be subject to and construed under the laws of the State of Illinois without regard to conflict of law principles.

PART XXIII REFERENCES AND SECTION HEADINGS

- 23.1 All personal pronouns used in this Agreement whether masculine, feminine or neuter gender shall, as appropriate to the context in which they are used, include all genders and reference to the singular shall include reference to the plural, and vice versa. Section headings are intended

for purposes of description only and shall not be used for purposes of interpretation of this Agreement.

**PART XXIV
WAIVER OF BREACH**

- 24.1 Failure to insist upon strict compliance with any of the terms herein shall not operate, or be construed, as a continuing waiver of such provision or any other provision in this Agreement. The right to insist upon full compliance and performance of such terms in the future and to invoke any and all applicable remedies for breach shall not be affected by any prior waiver or excuse of performance.

**PART XXV
SEVERABILITY**

- 25.1 If any part, term or provision of this Agreement shall be held void, illegal, or unenforceable, the validity of the remaining portions or provisions shall not be affected thereby.

**PART XXVI
SIGNATORY AUTHORITY**

- 26.1 Each party hereto represents and warrants that each of the persons executing this Agreement on its behalf is duly authorized and is acting within the scope of his or her authority to bind said party under this Agreement.

**PART XXVII
NOTICE**

- 27.1 Notice required pursuant to this Agreement shall be in writing and shall be delivered personally or mailed, by certified mail, to the last known address of the party to whom notice is to be given. Notice shall be deemed to have been given as of the date when delivered or mailed as provided above.

**PART XXVIII
ASSISTANCE**

- 28.1 If either party determines that the TPA requires assistance from GTL in order to perform the services required under this Agreement, the TPA shall reimburse GTL for expenses incurred by GTL's personnel to provide such assistance. These expenses include personnel fees and necessary transportation, communication, hotel accommodations, meals or similar items. The amounts due GTL under this provision may be deducted from any fee payable to the TPA for services performed under this Agreement.

**PART XXIX
COUNTERPARTS**

- 29.1 This Agreement may be executed in identical counterparts, each of which shall be deemed an original for all purposes.

**PART XXX
IMPOSSIBILITY OF PERFORMANCE**

30.1 Neither party shall be deemed in violation or default of this Agreement if the party is prevented from performing any obligation hereunder for any circumstances or reason beyond its control including, without limitation, acts of God or of public enemy, flood, storm, strikes, regulatory or legal delay or restraint. In the event that all or any part of either party's performance is rendered impossible, the parties shall cooperate with each other and use their best efforts to remove the impediment or develop a substitute manner of performance.

**PART XXXI
EFFECT OF TERMINATION**

31.1 GTL's obligation to pay compensation as shown in Addendum A attached hereto, as well as the obligations of the parties as provided in paragraphs 9.1, 9.2, 13.1, 13.2, 13.3, 13.4, 17.1, 17.2, 19.1, 20.1, 20.5, 20.6, 23.1, 24.1, 25.1, 26.1 and this part 32.1 of this Agreement, shall survive the termination of this Agreement.

The parties hereto affix their respective signature and attesting signature by their duly authorized and acting officers this 1st day of April 2002, with the intent of being legally bound thereby.

Company

Guarantee Trust Life Insurance Company

Signature

Signature

Print Name and Title

ADDENDUM A (SERVICES)

This Addendum effective _____ is added to and made part of the Third Party Administrative Service Agreement dated _____ between _____ (TPA) and Guarantee Trust Life Insurance Company.

A. The TPA agrees to perform as outlined in the Agreement, the following:

1. Administrative Services
- 2.
3. Underwriting Services
4. Premium Billing
5. Claim Processing Services
6. Managed Care and Cost Containment Services

B. In consideration of the TPA's performance of the Administrative services outlined in the Agreement, Guarantee Trust Life Insurance Company agrees to pay the various service fees as mutually agreed upon.

Guarantee Trust Life Insurance Company reserves the right to adjust the service fee and will give the TPA 31 days notice regarding any change.

DATE: _____

BY: _____

TITLE: _____

TPA: _____

DATE: _____

BY: _____

TITLE: _____

ADDENDUM B (BUSINESS)

This Addendum effective _____ is added to and made part of the Third Party Administrative Service Agreement dated _____ between _____ (TPA) and Guarantee Trust Life Insurance Company.

The TPA agrees to administer the insurance programs identified below, the "Business":

DATE: _____

BY: _____

TITLE: _____

TPA: _____

DATE: _____

BY: _____

TITLE: _____

Guarantee Trust Life Insurance Company

ADDENDUM C

PERFORMANCE STANDARDS/CRITERIA

- A. Except for electronic claims as defined and governed by HIPAA, all claims must be processed by the TPA within X business days from receipt of initial proof of loss.
- B. The TPA shall maintain a demonstrated quality standard which shall be defined as no more than X% error for all claims serviced in the aggregate.
- C. The procedural accuracy percentage is determined by multiplying the number of payments reviewed by seven, (number of error categories) to arrive at the total number of potential errors. The total error count, (not to exceed seven per file) determined by the review, is divided by the total number of potential errors to arrive at the procedural accuracy percentage.

Below is a detailed list of the seven error categories.

- 1. Uninsured Charges
 - A. Charges prior to the effective date
 - B. Charges after termination date
 - C. Incorrect effective and/or termination date
 - D. Charges processed under unavailable coverage
 - E. Benefits specifically excluded by policy
- 2. Ineligibility
 - A. Not an eligible dependent as defined by policy
 - B. No dependent coverage in force
 - C. Patient's charges processed under incorrect claimant
 - D. Eligibility requirements not met for insured
 - E. Insufficient information to determine eligibility
 - F. Full time student status
- 3. Unestablished Liability
 - A. Documentation does not support benefits
 - B. Incorrect COB application
 - C. Investigation not pursued
 - D. Subrogation not applied
- 4. Incorrect Benefits
 - A. Unavailable/incorrect coverage type payment
 - B. Pre-certification penalty not applied
 - C. Benefits exceed policy dollar maximum
 - D. Benefits exceed frequency maximum
 - E. Usual and customary applied incorrectly
 - F. Deductible incorrectly applied
 - G. Co-insurance incorrectly calculated
 - H. Carry over incorrect
 - I. Incorrect charge considered
 - J. Non-covered expense payment
 - K. Duplicate payment
 - L. Covered expense denied in error
 - M. Incorrect hospital audit amount withheld
 - N. Covered charge overlooked

ADDENDUM C (Continued)
PERFORMANCE STANDARDS/CRITERIA

5. Incorrect Payee
 - A. Paid to Incorrect provider payment
 - B. Assignment application incorrect

 6. Clerical Errors – Incorrect Reporting of indicative data
 - A. Incorrect dates of coverage
 - B. Incorrect diagnosis
 - C. Incorrect procedure code
 - D. Incorrect charge
 - E. Incorrect claim number
 - F. Incorrect provider/insured address
 - G. Incorrect account number
 - H. Incorrect tax ID number
 - I. Incorrect date received
 - J. Arithmetic Error

 7. Administrative Procedures
 - A. Formal denial not executed
 - B. Failure to refer claim to higher authority level
 - C. Hospital bill audit not initiated
 - D. Pre-certification not obtained/verified
 - E. Subrogation/right to recovery not initiated
 - F. Failure to obtain adequate/necessary documentation
 - G. Inadequate documentation notification to insured/payee
 - H. Failure to pay interest when due
 - I. Delays in acknowledgement or payment of claims
 - J. Failure to begin investigation in a timely manner
- D. The TPA shall resolve all customer complaints within **X** business days from receipt of the written complaint.
- E. The TPA shall submit to GRL all premiums collected along with appropriate enrollment data within days of the effective date of coverage.
- F. The TPA shall follow the discount procedures as established by GTL with the following claim thresholds: A discount must be sought from non-PPO providers if a hospital expense exceeds \$500.00 or a non-hospital expense exceeds \$750.00.
- G. As referenced in 2.2 of the Agreement, the amount of the claim to be referred to GTL, shall be **\$X**. This amount shall be for one claim or shall be cumulative over several claims when that amount is reached.

EXHIBIT IV

GUARANTEE TRUST LIFE INSURANCE COMPANY
RECORD RETENTION POLICY AND PROCEDURES

I. Policy

The Company is committed to a comprehensive records retention policy to manage litigation risks, ensure regulatory compliance, reduce unnecessary use of storage space, minimize the cost of record retention, and to ensure that outdated records are destroyed in a proper and timely manner.

II. Purpose

The purpose of this record retention Policy and Procedure is to ensure that such policies and procedures are created, updated and provided to all applicable individuals who create, receive, use or maintain records. Failure to comply with the Company's record retention Policy and Procedures could result in disciplinary action against employees, including termination of employment.

III. Background and General Information

- (a) This document sets forth what Records must be maintained, the length of time the Records are to be maintained by Guarantee Trust Life Insurance Company (hereinafter "Company") as well as disposal requirements.
- (b) Except as stated in Part IV(b), this document complies or exceeds the retention and disposal of Records required by law in each jurisdiction.
- (c) The law requires the Company and its affiliates to maintain certain types of corporate records for a specified period of time. Failure to retain certain corporate records for the minimum periods could subject the Company to penalties, and fines, cause loss of rights, or seriously disadvantage the Company in litigation.
- (d) The corporate Records of the Company are therefore important and essentially include all Records, as defined in Section VI, produced and received by employees whether paper or electronic.
- (e) The Record retention Policy and Procedures must be distributed to all current and new employees. Thereafter, we must notify all such employees of applicable changes in the Policy and Procedures.

IV. Applicability

- (a) The Policy and Procedure is not meant to supersede or affect any record retention guidelines imposed by the Internal Revenue Service, statutes of limitation or other specifically mandated applications.

- (b) The Company expects all employees to fully comply with any published records retention or disposal policies and schedules, provided that all employees should note the following exception to any stated destruction schedule. If you believe, or the Company informs you that Company Records are relevant to litigation, or potential litigation (i.e. dispute that could result in litigation), then you must preserve those records until the General Counsel determines the records are no longer needed. That exception supersedes any previously or subsequently established destruction schedule for those records. If you believe this exception may apply, or have any questions regarding the possible applicability of this exception, please contact the General Counsel.
- (c) The Record retention Policy and Procedure will be suspended due to pending litigation as indicated in item IV(b) above, audits, department of insurance complaints or other issues. Compliance or Legal will issue a suspension directive that will identify those records that will not be subject to the record retention Policy and Procedures and how long such records will be suspended from the requirements of the record retention Policy and Procedure.

V. Accountability

- (a) In order to facilitate a compliant record retention procedure, all files stored on site or sent to off-site storage should be properly boxed and indexed. Boxes should be marked with the following information: detailed description of the boxes content, time frame covered by the documents contained therein, cost center or department name, destroy date and any other information relevant to the document retention/disposal process.
- (b) Each department manager is responsible for reviewing the Records under their control, establishing appropriate record retention management practices and applying the record retention schedule, see Part X, to records currently in their department or stored by their department. Therefore, each department manager must:
 - (1) Implement the department's record management practices;
 - (2) Ensure that these practices are consistent with this Policy and Procedure;
 - (3) Communicate the record retention Policy and Procedure to the employees within the department;
 - (4) Destroy inactive records that have no value upon passage of the applicable retention period; and
 - (5) Ensure that records are destroyed in a manner that is appropriate for the type of records and information involved.
- (c) All departments are subject to audits to confirm compliance with this record retention Policy and Procedure.

VI. Records

The definition of a Record(s) is important in the implementation and maintenance of this Policy and Procedure. Records as indicated in items (a) through (j) below that are retained and managed as evidence of the Company's activities, events or transactions for business, operational, legal, regulatory, and/or historical purposes, are subject to the Procedures set forth in Part VII. Ordinary voice messages which are received or maintained as a convenience for a period not to exceed 30 days, are not considered as a corporate record and, therefore, are not subject to this Policy and Procedure.

- (a) All bank statements and reconciliation's, cancelled checks, invoices, accountant's work papers, cancelled drafts, receipted tickets, new business transmittal records, premium payment records, lapse records, purchase orders.
- (b) Actuarial records, Advertising material, policy illustrations.
- (c) Underwriting records, endorsements, policyholder correspondence and policy loan records relating to files on policies lapsed, cancelled or rejected.
- (d) Payroll records and personnel records for current and former employees.
- (e) Claim files, claim reports, investigatory reports and all material relating to claims including closed claim files.
- (f) Agent records (to include background checks, credit checks, appointment records and commission records), replacement records.
- (g) Department of Insurance Complaints.
- (h) Computer tapes and files that support all of the above with the same limitations and provision reflected in each item.
- (i) Recorded conversations.
- (j) Retained e-mails that contain information that would make such e-mail a Record as defined above whether stored or shared.

VII. Procedures

Based on the information contained in Part VI above other than retained e-mails, a records retention policy incorporating the following characteristics would comply with all of the states.

- (a) Retention of all records for a period of seven (7) years; and
- (b) After the seven (7) year period elapses, contact each department of Insurance seeking authorization to destroy inactive records.

The destruction of inactive records referenced herein does not apply to e-mails that have been placed into the user directed archive. All e-mails that have not been placed into the user directed archive will be terminated automatically two years from the date the e-mail is received or sent.

VIII. Product Approval and Compliance will:

- (a) Routinely monitor for changes to the laws that affect record retention.
- (b) Create new and amended policy and procedures if a material change has occurred that would require an update to the document.
- (c) If an update is required it must be distributed to all employees within (60) days of the change.
- (d) Draft a letter advising the Commissioner that records will be destroyed after a set period (e.g., 30 days) unless a response is received back from the Commissioner.

IX. Disposal and Destruction of Records

If you have determined that it is appropriate to dispose of certain Records, such Records should be destroyed in one of the following ways:

- (a) Recycle non-confidential paper Records;
- (b) Shred confidential paper Records; or
- (c) Erase or destroy electronically stored data.

X. Record Retention Schedule

The purpose of the record retention schedule is to determine how long the company must maintain its records. The schedule is organized by general categories of records having the same retention requirement.

Record retention periods are valid regardless of storage media or where the records are located. The record retention periods, as applied to an inactive record, are based on an accumulative amount of time since an event, such as the creation date, the termination of a contract, or the completion of a piece of work. Retention periods are valid regardless of the storage media or where the records are located.

Some of the records will be physical records located in various departments, corporate storage, or kept in the department for part of the retention and moved to corporate storage for the remainder, while other records may be electronic and kept on servers, disk or tape.

All e-mails are subject to a two year retention limit beginning with the date the e-mail is sent or received by an employee. E-mails placed into the user directed archive are not subject to the two year retention limit.

XI. Confidentiality Requirement

Records subject to the record retention policy and procedure contain confidential information (non-public) including, but not limited to, name, address, social security number, bank account numbers, financial information, student numbers, protected health information, etc. Such records are private, and are protected by the Gramm-Leach-Bliley (GLB) Act and the Health Insurance Portability and Accountability Act (HIPAA). In addition to these retention requirements, any record that contains confidential information should be considered confidential and treated in accordance with the Company's privacy procedures.

EXHIBIT V

**COMPLAINT TRACKING SYSTEM
PROCEDURES**

Every insurance company licensed to do business in any particular state is required to maintain records on the complaints it receives from policyholders.

A "Complaint" is defined as any communication (written, verbal, email) expressing dissatisfaction with the insurer, or its providers (including Agents, Producers or TPA's) with whom the insurer has a direct or indirect contractual relationship. Complaints may be received directly from the insured, an insured authorized representative, the state department of insurance, or another intermediary, such as the Better Business Bureau. Complaints will be tracked by the Company in accordance with the terms of this procedure. Complaints received by TPA's will be tracked by the TPA either (a) in accordance with this procedure or (b) a procedure substantially similar to this procedure (that is in accordance with all applicable laws) so that all complaints are tracked and reported to the Company in a timely manner.

By law, there are certain elements pertaining to a complaint that we must maintain on a calendar year basis. In order to standardize the data we must maintain, a web-based Access database was designed for capturing the information for complaints received directly from the consumer.¹

Understanding what does or what does not constitute a complaint can, at times, be subjective, especially since the NAIC's definition of a complaint is very broad. Because of this, complaints serviced by customer service representatives and claim staff should be referred to department supervisors or managers to ensure what's entered into the database is specifically expressing a grievance. ,

USING THE COMPLAINT TRACKING SYSTEM

To access the Complaint Tracking System, go to:

<http://www.gtlic.com>

Click on the Customer Service tab (at the top center of the Home page). From the Customer Service page, scroll down and click on Complaints Tracking System.

The first screen you see will be an Authorization log on. Separate Authorization Codes are assigned depending if the complaint is being logged by the Home Office or our Third Party Administrators. Contact your supervisor for the authorization code to use.

Please Enter Authorization Code:

NOTE: YOU MUST CLICK YOUR LEFT MOUSE KEY TO SUBMIT YOUR AUTHORIZATION. USING THE "ENTER" KEY WILL ONLY CLEAR THE SCREEN.

Attached to the back of this procedure is a copy of the screen layout.

¹ Consumer complaints received from the state Departments of Insurance and other intermediaries are maintained separately by Product Approval and Compliance.

Here are the general instructions for completing this form.

Complaint Tracking System Field Entries

1. **Company Code** (*Choose from the following on the drop down menu:*)
 - a. GTL - Guarantee Trust Life Insurance Company
 - b. UNL – United National Life Insurance Company of America
 - c. NGL – National Guardian Life

2. **Complaint Serviced By:** Show the first initial and full last name of the person who serviced the complaint.

3. **Sequence Number**
No entry needed. This number is automatically assigned by the tracking system.

4. **State** (*Choose from the 2-character state abbreviation on the drop down menu*)

5. **Insured Last Name, First Name, Middle Initial:**
Key in last name, first name, and middle initial, if any.

6. **Policy Number**
Key in policy number. If complaint involves more than one policy, enter the lowest number.

7. **Plan Number**
Key in the plan code number maintained on the administering computer system

8. **Line of Business**
This field consists of six main categories. Most main categories have a sub-category for “Type.” The categories and the types of products associated with it are:
 - a. A&H Over 65
 - i. Medicare Supplement
 - ii. Long-Term Care
 - iii. Other (*Limited Benefit, Cancer, Hospital Indemnity, etc...*)
 - b. A&H Under 65
 - i. Major Medical
 - ii. Long-Term Care
 - iii. Other (*Limited Benefit, Cancer, Hospital Indemnity, etc...*)

- c. Life
 - i. Individual (*Agent Sold*)
 - ii. Group
 - iii. Direct Market
 - iv. Student (*Special Risk*)
- d. Student / Special Risk – Health
 - i. Medical
 - ii. Accident
- e. Credit
 - i. Life
 - ii. A&H
- f. Dental
- g. Other (*Description is limited to 30 characters*)

9. Third Party Administered

Check the box, if business is administered by a TPA. If the box is checked, choose from the following current TPA codes.

PIA	Personal Insurance Administration
FST	First Agency
TBA	The Baker Agency
SAP	Student Athletic Protection
NAH	NAHGA, Inc.
CCS	Credit Claim Services
SWR	Southwest Re
ALD	Allied
CBS	CBSA
GIL	Gilsbar
AFL	American Founders Life
DOH	Doherty Employment Group, Inc.
GRL	GroupLink
NAT	NationCare
BUT	Butler
MBA	Merchants Benefit Administration
ACI	Administrative Concepts Inc.

10. Date Complaint Received

Month/Day/Year (*MM/DD/YYYY format*) This is the date stamped into the Home Office.

11. Date Complaint Resolved

Month/Day/Year (*MM/DD/YYYY format*) This is the date the written response is sent from Home Office.

12. Complaint Reason Code

This field consists of five main insurance operation functions. Most functions have a sub-category for "Reason." The main functions and associated complaint reasons are:

a. Claims

- i. Denial of Claims
- ii. Delay
- iii. Unsatisfactory payment
- iv. HIPAA
- v. Misc.

- 1. **Track for Grievance** – Whenever "Claims" is entered as the Complaint Reason Code, a box will appear and should be checked if the case is to be tracked for state required grievance registers and/or reporting.

b. Marketing and Sales

- i. Misrepresentation
- ii. Duplication of coverage
- iii. Policy not received. No evidence certificate of coverage received.
- iv. Complaint against agent
- v. HIPAA
- vi. Misc.

- 1. **Agent Code** – Whenever "Marketing and Sales" is entered as the Complaint Reason Code, a box will appear for the agent code to be keyed in.

c. Policyholder Service

- i. Reason for change in premium
- ii. Paid-to-date change
- iii. Denied refund of premium
- iv. Explanation of benefits
- v. Policy was cancelled or lapsed by company
- vi. HIPAA
- vii. Misc.

d. Underwriting

- i. Refusal to insure (new apps, reinstatement)
- ii. Premium and ratings
- iii. Rescission
- iv. HIPAA
- v. Misc.

e. Compliance and Actuarial

f. Other (*Description is limited to 50 characters*)

13. Complaint Resolution Code

This is a 2-digit numerical field. Eleven of the most common resolutions are defined with an optional Misc field, for those that need to be categorized differently.

- 01 Explained denial of claim
- 02 Claim reopened or additional payment made
- 03 Claim already paid
- 04 Sent copy of policy, application, or other company form/document
- 05 Cancelled policy and/or sent premium refund
- 06 Reversed previous decision
- 07 Explained policy benefits
- 08 Explained change in premiums
- 09 Explained Underwriting Action (All underwriting actions where company position upheld)
- 10 Explained Coverage Status (Lapsed, Terminated)
- 11 Misc. (*Description is limited to 50 characters*)

14. Comments

Generally, this section should only be used if it is necessary to track additional information on the complaint case that is not captured above.

EXHIBIT VI

Guarantee Trust Life Insurance Company

Iowa Advertising Guidelines

1. By the end of the first calendar quarter of the Monitoring Period, GTL will:
 - a. Confirm with each Producer and Agent licensed in Iowa the following:
 - i. That their contract with GTL prohibits the use of advertising material which is not approved in advance by GTL and that all advertising must be approved by GTL. As part of that confirmation each Producer and Agent will receive current versions of :
 1. The GTL Advertising Policy
 2. Advertising Submission Form
 3. Checklist for Advertising Material
 4. Code of Ethical Market Conduct
 5. Health Insurance Marketing Guidelines
 6. Life Insurance Marketing Guidelines
 - ii. Each Iowa Producer and Agent will be provided a listing of all "standard unmodified" GTL approved advertising material that can be used by the Producer and Agent.
 - iii. All non-standard GTL approved advertising material approved by GTL and used Producers or Agents prior to the first calendar quarter of the Monitoring Period will not be used on or after the end of the Second calendar quarter of the Monitoring Period.
 - iv. That non-standard advertising material previously approved by GTL must be re-submitted and approved by GTL on or prior to the end of the second calendar quarter of the Monitoring Period.
 - b. GTL will inform Producer and Agent licensed in Iowa that a violation of the Advertising Policy or Rules by a Producer or Agent is a violation of the Agents agreement with GTL and may subject the Producer or Agent to termination.

EXHIBIT VII

Guarantee Trust Life Insurance Company
ADVERTISING POLICY

As part of our continuing efforts to ensure that all advertisements, sales materials, and illustrations promoting Guarantee Trust Life Insurance Company's products are unambiguous, honest and fair, we require all of our licensed distributors to be familiar with, and adhere to the following rules. Lack of compliance may be grounds for termination of appointment or contract.

- I. Distributors cannot generate or use any advertising or sales material which bears the name or logo of GTL and/or promotes any of our specific policies without securing GTL's Compliance Department's prior written approval of content, form, and method of dissemination.

- II. Advertisements and sales materials include, but are not limited to:
 - A. Printed and published material, sales aids, leaflets, booklets, brochures, audio visual material and descriptive literature used in direct mail, newspapers, magazines, radio and television scripts, telephone scripts, presentation summaries, projections, billboards and similar displays intended to promote the purchase, modification, or reinstatement of a policy.
 - B. Material used for the recruitment, training, and education of distributors.

- III. Advertisements and sales materials must be truthful. Content must be sufficiently clear so as not to mislead or deceive.
 - A. The use of statistics, illustrations and statements which may be factually correct are not acceptable if their impact misleads or deceives.
 - B. Information required to be disclosed must not be minimized, rendered obscure, presented in an ambiguous manner, or intermingled with text so as to be confusing or misleading.
 - C. The tendency to mislead or deceive will be determined by the overall impression the advertisement or sales material creates on a person with little knowledge of insurance matters.

- IV. The accompanying Advertising Submission Form must be used prior to submitting advertising or sales material to GTL for approval.

- V. Illustration software provided by GTL must not be altered in any manner, except under written instruction.

Please review this policy carefully. You must adhere to it at all times.

GUARANTEE TRUST LIFE INSURANCE COMPANY
1275 Milwaukee Avenue, Glenview, IL 60025

ADVERTISING SUBMISSION FORM

TO: _____ DATE: _____
Line of Business Manager

FROM: _____
Name Agency

REVIEW CHECKLIST for ADVERTISING and ADVERTISING POLICY BEFORE
SUBMITTING to GTL.

This form must accompany every advertisement submitted to GTL for approval as required by General Agent Agreement.

Intended Use of Advertising:

Product Name and Form/Plan Number: _____

- | | | |
|---|---|--|
| <input type="checkbox"/> Print Media Ad | <input type="checkbox"/> Sales Presentation | <input type="checkbox"/> Broadcast Media |
| <input type="checkbox"/> Telemarketing | <input type="checkbox"/> Contact Letters | <input type="checkbox"/> Other |

STATES WHERE ADVERTISEMENT WILL BE USED: _____

DATE ADVERTISEMENT WILL START TO BE USED: _____

AGE OF INTENDED MARKET: _____

Home Office Use:

	INITIALS	APPROVED	DISAPPROVED (EDITS SHOWN)	DATE
LOB/Marketing:	_____	_____	_____	_____
Regulatory Compliance:	_____	_____	_____	_____

Checklist For Advertising Material

This Checklist is for your use as a worksheet in preparing advertisements for Home Office approval. Items on the Checklist are based on the most commonly applicable state laws and rules governing the advertising of insurance products. Compare your advertising with the sections on this worksheet applicable to your piece. Check "Yes," "No" or "NA" (not applicable). Make changes to statements marked "No" before sending the advertisement to the Home Office for approval.

Corporate Identity and Logo

Yes No NA

___ ___ ___ Our full name, *Guarantee Trust Life Insurance Company*, is used in the first reference.

___ ___ ___ Initials are used only in the place of the Company name if mentioned parenthetically in the first reference.

Accuracy and Truthfulness

Yes No NA

___ ___ ___ No aspect of this piece could be considered untrue, deceptive, or misleading based on the information included *or* omitted.

___ ___ ___ This piece, when examined as a whole, cannot lead a person of average intelligence to any false conclusions. This conclusion is based on the literal meaning of the words, impressions from nonverbal portions of the piece, and from materials and descriptions omitted from the advertising piece.

___ ___ ___ All important or required information appears in a type size that is easy to read and is not mixed in with information that could confuse the reader.

___ ___ ___ Absolute words such as "all," "will" and "shall" are not used.

___ ___ ___ Words such as "free," "no cost" and "no extra cost" are not used unless actually true and then only if explained.

Comparisons, Ratings and Competition References

- | <u>Yes</u> | <u>No</u> | <u>NA</u> | |
|------------|-----------|-----------|---|
| ___ | ___ | ___ | Specific commercial ratings are not the focus of this piece. |
| ___ | ___ | ___ | Any reference to a commercial rating is clear in describing the scope and extent of the rating (A.M. Best, B++, Very Good must all be used together). |
| ___ | ___ | ___ | All statistical information is recent, relevant, and the source and date are identified. |
| ___ | ___ | ___ | References to the competition are factual and not disparaging. |

Testimonials, Endorsements, Analyses and Illustrating

- | <u>Yes</u> | <u>No</u> | <u>NA</u> | |
|------------|-----------|-----------|---|
| ___ | ___ | ___ | There is no use or implication of an endorsement or testimonial by a person or organization without their approval. |

Identity of Insurer and Product

- | <u>Yes</u> | <u>No</u> | <u>NA</u> | |
|------------|-----------|-----------|--|
| ___ | ___ | ___ | The name of the insurer is clearly identified. |
| ___ | ___ | ___ | The policy type and name are clearly and accurately identified including form number. |
| ___ | ___ | ___ | No combination of words is used which could mislead prospective insureds into believing the solicitation is connected with a governmental agency or program unless true and supportable. |

HOME OFFICE USE

- | | | | |
|-----|-----|-----|---|
| ___ | ___ | ___ | The piece is identified with a unique form number assigned by Guarantee Trust Life Insurance Company. |
|-----|-----|-----|---|

Code of Ethical Market Conduct

At Guarantee Trust Life Insurance Company, we strive to provide our customers with quality service. In order to maintain high standards of honesty, fairness, and integrity, we have developed a Code of Ethical Market Conduct which serves as a guidepost for our conduct in the insurance marketplace.

Market Conduct at GFL

“Market conduct” refers to actions made when providing service to our customers: employees, general agents, and policyowners.

GFL maintains high customer service standards. Honesty, fairness, and integrity are characteristics that employees and general agents are expected to display when dealing with customers. GFL has developed a Code of Ethical Market Conduct to help employees and general agents determine what type of behavior is expected of them. The Code of Ethical Market Conduct consists of six Principles which are described below.

Principle One:

Guarantee Trust Life Insurance Company will conduct business according to high standards of honesty and fairness. We will render to our customers the services which, in the same circumstance, we would demand for ourselves.

Principle Two:

Guarantee Trust Life Insurance Company will provide competent and customer-focused sales and service.

Principle Three:

Guarantee Trust Life Insurance Company will engage in fair competition.

Principle Four:

Guarantee Trust Life Insurance Company will provide advertising and sales materials that are clear as to purpose, and honest and fair as to content.

Principle Five:

Guarantee Trust Life Insurance Company will provide a means for fair and expeditious handling of customer complaints and disputes.

Principle Six:

Guarantee Trust Life Insurance Company will maintain a system of supervision that is reasonably designed to achieve compliance with these Principles.

These principles encourage us to ensure that employees and general agents have the information they need to follow the laws and regulations that pertain to their area. Our general agents also should make efforts to ensure that each customer fits the profile of the market for which the product is designed.

To provide competent sales and service, employees and general agents must adhere to our Code of Ethical Market Conduct. In addition, employees and general agents must have knowledge about GFL's products and their functions. General agents must also be licensed or otherwise qualified under state law.

We are committed to competition as the most effective and efficient means of providing products and services to our customers. Competition is also the most efficient regulator of activities. To maintain and enhance competition in the marketplace for our products, we should ensure that employees and general agents, through education and action, promote an awareness of the concept of a fair marketplace. Our general agents should not replace existing insurance policies without first providing the customer with the information he or she needs to make an informed decision about replacement.

GTL will use only sales and solicitation materials based upon the principles of fair dealing and good faith and that have a sound factual basis.

In order to resolve any complaints and disputes that may arise concerning GTL's market conduct, efforts should be made to identify, handle, and resolve all complaints fairly and objectively.

All GTL employees are provided with information about GTL's Code of Ethical Market Conduct. Policies and procedures have also been developed for auditing and monitoring our general agents' market activities and sales practices.

Market Conduct Violations

All GTL employees and general agents should comply with the Code of Ethical Market Conduct at all times. Violation of this Code is considered serious and will be handled accordingly. Any violations of market conduct should be reported.

For More Information...

If you have any questions or need more information about market conduct at GTL, please contact the Government Affairs Department.

Guarantee Trust Life Insurance Company thanks you for your cooperation.

<http://www.gtlic.com>

G • T • L Health Insurance Marketing Guidelines

Agents must comply with all state replacement and suitability regulations. The following additional guidelines apply.

Medicare Supplements: These plans should be sold only to individuals who are enrolled in both Medicare Parts A & B. They should not be sold to an individual who already owns a Medicare Supplement policy, unless the customer intends to replace the old policy with the new one and the new policy provides more coverage or a better value.

Indemnity Plans: These plans must not be sold as replacements for existing Medicare Supplement or hospital expense policies. They are intended to provide basic benefits or to supplement existing benefits.

Long Term Care, Nursing Home and Home Health Care Plans: Agents should make it clear to their customers that while these plans provide coverages for conditions not fully covered by Medicare, they are not alternatives to Medicare Supplement plans. While some of GTL's long term care plans qualify for favorable tax treatment of benefits and premiums, others do not. For the latter category, the agent must disclose to the customer that future benefits may be subject to income tax.

G • T • L Life Insurance Marketing Guidelines

Agents must comply with all state regulations and company rules regarding the sale of life insurance.

Final Expense Plans: These simplified issue, small face amount policies are to be sold to individuals who intend to use the proceeds to pay for funeral expenses and other costs related to death. They are not to be used to increase existing life insurance coverage for an individual who has been declined coverage by other insurance companies.

Impaired Risk Plans: These plans are sold to individuals who have physical impairments. Some of these individuals may have been declined coverage by other companies. Impaired risk plans should not be sold to healthy individuals.

Modified Premium Term Plans: The applicant should have a need for additional life insurance coverage and a desire to augment his or her accumulation of funds for future, long-term needs. Encourage the applicant to carefully examine the Separate Accumulation Options.

Plan I : Suitable for one-on-one sales to individuals or family members. The product may not be used to replace existing insurance.

Plan II : Designed for worksite marketing, including payroll deduction and direct deposit payment methods. The agent must have the approval of the employer to collect and remit premiums prior to soliciting. The applicant should have a need for additional life insurance coverage and a desire to augment his or her accumulation of funds for future, long-term needs. The product may not be used to replace existing insurance.

Plan III : Suitable for one-on-one sales to individuals or family members. The applicant should have a need for additional life insurance coverage and a desire to augment his or her accumulation of funds for future, long-term needs. The product may be used to replace existing insurance, if the new policy provides more benefits and flexibility than the existing policy, or provides substantially similar benefits at a lower cost to the policyholder.

College Plus: Intended for purchase by families of students who intend to go to college, or who are already enrolled in college. The insured may be the student or a parent. The purpose of the life insurance is, in case of the death of the insured, to repay loans and expenses used to fund a college education. The purpose of the cash accumulation portion of the plan is to provide (a) in the short term, a limited amount of funds to help pay the interest and principal on student loans after the student graduates and (b) funds for future, long-term needs of the policyowner.

EXHIBIT VIII

Cancer Manual Table of Contents

- Tab 1 Process/Sample Standard Policy, Iowa version including prompt pay information. Schedule pages standard, Minnesota, Montana and Iowa
- Tab 2 Claim form request letters & form samples
- Tab 3 Pend Letters Samples
- Tab 4 Denial Letter Samples
- Tab 5 Rescission Process
- Tab 6 Miscellaneous

Updated 2013

IOWA PROMPT PAY

I. Upon receipt of a claim for benefits, GTL will, within thirty (30) days of receipt of such claim:

a) Determine if the claim meets the definition of a "Clean Claim" as defined in 2001 Iowa Acts, chapter 69, section 8 (2b).

"Clean Claim" means a properly completed instrument which contains all reasonably needed information to adjudicate such claim and does not include Coordination of Benefits for Third Party Liability, preexisting condition investigations or subrogation; and

b) If GTL determines that the claim submitted is not a Clean Claim, request additional information in writing from the claimant or provider. The request for additional information shall specify what information is needed to establish a "Clean Claim".

II. Upon receipt of a Clean Claim, GTL shall, within thirty (30) days of receipt of the Clean Claim, either Pay the claim or Deny the claim. A Clean Claim will be considered paid on the date the claim check or other valid method of payment is sent to the payee.

LTC/HHC Manual

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2. Procedural Overview & Special States Handling
3. Adjuster/CSM Responsibilities
4. Workflow Chart
5. Write Ups
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 - 90700 Home Health Care
 - 91700 Home Health Care
 - 93710 Home Health Care
 - Legacy 9900-43 Texas Long Term Care
6. Waiver of Premium
7. Forms/Letters
 - Letters to Insured
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 - Letters to Doctor
 - Letters to Provider
8. Audit Forms
 - Customer Satisfaction Survey
 - Transaction Audit
 - Full Audit
 - Samples of Audits
9. Reporting
10. Short Term Intakes

IOWA PROMPT PAY

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 - a) Determine if the claim meets the definition of a "Clean Claim" as defined in 2001 Iowa Acts, chapter 69, section 8 (2b).
"Clean Claim" means a properly completed instrument which contains all reasonably needed information to adjudicate such claim and does not include Coordination of Benefits for Third Party Liability, preexisting condition investigations or subrogation; and
 - b) If GTL determines that the claim submitted is not a Clean Claim, request additional information in writing from the claimant or provider. The request for additional information shall specify what information is needed to establish a "Clean Claim".

- II. Upon receipt of a Clean Claim, GTL shall, within thirty (30) days of receipt of the Clean Claim, either Pay the claim or Deny the claim. A Clean Claim will be considered paid on the date the claim check or other valid method of payment is sent to the payee.

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- ❖ Introduction
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 - Payee/provider information
- ❖ Special State Handling
 - *Iowa Prompt Pay - Page 1*

IOWA PROMPT PAY

- I. Upon receipt of a claim for benefits, GTL will, within thirty (30) days of receipt of such claim:
 - a) Determine if the claim meets the definition of a "Clean Claim" as defined in 2001 Iowa Acts, chapter 69, section 8 (2b).
"Clean Claim" means a properly completed instrument which contains all reasonably needed information to adjudicate such claim and does not include Coordination of Benefits for Third Party Liability, preexisting condition investigations or subrogation; and
 - b) If GTL determines that the claim submitted is not a Clean Claim, request additional information in writing from the claimant or provider. The request for additional information shall specify what information is needed to establish a "Clean Claim".

- II. Upon receipt of a Clean Claim, GTL shall, within thirty (30) days of receipt of the Clean Claim, either Pay the claim or Deny the claim. A Clean Claim will be considered paid on the date the claim check or other valid method of payment is sent to the payee.

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MEDICARE MANUAL

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MEDICARE CLAIMS MANUAL

MEDICARE MANDATES

This section contains Benefits that are mandated by the state and Special State Handling.

Please note unless otherwise stated, when an examiner receives a claim that is for a benefit that is mandated by a state. The examiner should use a benefit code of MAN and pay the charge or charges that were denied by Medicare. This keeps the charges separated from the other benefit codes used to process Medicare Claims.

One of the exception to the use of the benefit code MAN is Wisconsin, Minnesota's Chiropractic and Diabetic Mandates. The Benefit code used for this would be.

Chiropractic = CHI
Diabetic + DBS

See attached for further instructions

MEDICARE CLAIMS MANUAL

SPECIAL STATES

IOWA

11/18/2013

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EXHIBIT IX

GUARANTEE TRUST LIFE INSURANCE COMPANY

Guidelines for Review and Evaluation of Group Life, Accident or Health Insurance

1. GTL shall not deliver a policy of group life, accident or health insurance to a policyholder in Iowa unless it conforms to one of the descriptions set forth in §509.1, subsections 1 through 9, *Code of Iowa*.
2. Sales of memberships in an association pursuant to §509.1, subsections 2 or 6, *Code of Iowa* may include incidental insurance which inures to the benefit of every member of the association without separate application or underwriting (wholesale), or sales of insurance may involve such an association (retail).
 - a. Wholesale. Sales of memberships in such an association that includes insurance benefits that are incidental to association membership shall not mention such insurance benefits or the premium for such insurance ("Insurance Solicitation"). Should any prospective member ask about the insurance benefits or premium, they must be referred to a licensed insurance producer or agent.
 - b. Retail. Any Insurance Solicitation to an Iowa consumer through such an association which (i) would also require the completion of an insurance application, individual underwriting to determine if such insurance can be issued, and a premium or fee payment paid directly to GTL; and/or (ii) which requires that the consumer be a member of the Association, may only be made by a licensed insurance producer or agent.
 - c. Written Acknowledgement of Membership. When applicable, GTL shall inform the Iowa consumer that membership in an association is required in order to purchase the insurance product. Additionally, GTL shall provide for an acknowledgement to be signed by the consumer whereby the consumer acknowledges that they are joining an association. The acknowledgements set forth in the "Select Benefit Services Association" enrollment forms attached hereto as Exhibit A and Exhibit B are acceptable acknowledgements.
3. When group insurance coverage conforming to one of the descriptions set forth in §509.1, subsections 1 through 8, *Code of Iowa*, is offered in Iowa under a group policy issued in another state, such group is nondiscretionary and no prior determination of the Commissioner pursuant to §509.1(9)(a), *Code of Iowa*, will be required.

EXHIBIT X

**Guidelines for Review and Evaluation of
Blanket Accident and Sickness Insurance**

1. GTL shall not deliver a policy of blanket accident and sickness insurance to a policyholder in Iowa unless it is designed to insure against the specified hazards incident to or defined by reference to a particular activity or activities covering groups of persons enumerated in 191 IAC 35.3, subsection (1)(b), (c), or (d).
2. Other than the coverage provided under the blanket policy, there shall be no solicitation to an Iowa consumer to add any benefit that would result in a premium or fee payment by the Iowa consumer, unless such solicitation is made by a licensed insurance producer or agent.
3. When blanket insurance coverage of the type described in 191 IAC 35.3, subsection (1)(b), (c), or (d), is provided in Iowa under a policy issued in another state, the policy must be shown to meet the requirements of the state in which the policy was issued and it must be shown that those requirements are substantially similar to the requirements set forth in §509.1(9)(a), *Code of Iowa*.