



Central Reserve Life Insurance Company (CRL) Agent Contract Information

Appointment Checklist

- Application for Appointment—Complete in full.
- Agent Contract—Complete, sign and date.
- Addendum Agent Contract—Complete, sign and date.
- Assignment of Commissions—Complete and sign if commissions are to be assigned to someone other than the individual agent.
- Direct Deposit—Complete if commissions are to be direct deposited into a checking or saving account.
- Credit Card Authorization Form—Complete for payment of appointment fees. If paying for appointment fees by check, submit a check made payable to CRL for appointment fees.
- Agent Authorization—Sign and date. Field Manager, complete bottom box.
- Submit a copy of current resident license and any applicable non-resident licenses. If appointing an agency, include copies of the agency's licenses.
- Submit proof of current Errors and Omission (E&O) Insurance coverage.
- Submit all completed paperwork to your field manager's office for submission to the Home Office.

If you have any questions regarding your contract or appointment process,
please contact our Licensing Department at:

17800 Royalton Road
Cleveland, OH 44136-5197
1-800-321-3997
licensing@centralreserve.com

*Thank you for your interest in CRL. We look forward to doing business with you very soon.
You will receive notification once your appointment has been processed and approved.*

State Appointment Fees

Appointment fees are based on currently licensed agents and are required for each state to which you will be appointed. Payment of the appointment fees may be made by credit card or by check.

State	Resident Appointment Fee	Non-Resident Appointment Fee
Alabama	\$30.00	\$30.00
Alaska	No Fee	No Fee
Arizona	No Fee	No Fee
Arkansas	Paid by Carrier	Paid by Carrier
California	\$22.00	\$22.00
Colorado	No Fee	No Fee
Connecticut	\$45.00	\$45.00
Delaware	\$25.00	\$25.00
Florida	\$60.00	\$60.00 + \$6.00 per county
Georgia	\$10.00	\$10.00
Hawaii	No Fee	No Fee
Idaho	No Fee	No Fee
Illinois	No Fee	No Fee
Indiana	No Fee	No Fee
Iowa	\$20.00	\$20.00
Kansas	\$5.00	\$5.00
Kentucky	\$40.00 (Agent) \$100.00 (Agency)	\$50.00 (Agent) \$120.00 (Agency)
Louisiana	\$20.00	\$20.00
Maine	\$75.00	\$75.00
Maryland	No Fee	No Fee
Massachusetts	\$75.00	\$75.00
Michigan	\$5.00	\$5.00
Minnesota	\$10.00	\$10.00
Mississippi	\$10.00	\$10.00
Missouri	No Fee	No Fee
Montana	No Fee	No Fee
Nebraska	\$20.00	\$20.00
Nevada	\$15.00	\$15.00
New Hampshire	\$25.00	\$25.00
New Jersey	No Fee	No Fee
New Mexico	\$23.00	\$23.00
New York	No Fee	No Fee
North Carolina	\$20.00 Life & Health; add \$10.00 for Medicare Supplement/LTC	\$20.00 Life & Health; add \$10.00 for Medicare Supplement/LTC
North Dakota	\$10.00	\$10.00
Ohio	\$20.00	\$20.00
Oklahoma	\$40.00	\$40.00
Oregon	No Fee	No Fee
Pennsylvania	\$15.00	\$15.00
Rhode Island	No Fee	No Fee
South Carolina	Paid by Carrier	Paid by Carrier
South Dakota	\$10.00	\$20.00
Tennessee	\$15.00	\$15.00
Texas	\$10.00	\$10.00
Utah	No Fee	No Fee
Vermont	\$60.00	\$60.00
Virginia	\$14.00	\$14.00
Washington DC	\$25.00	\$25.00
Washington	\$20.00	\$20.00
West Virginia	\$25.00	\$25.00
Wisconsin	\$7.00	\$24.00
Wyoming	\$15.00	\$15.00



Central Reserve Life Insurance Company (CRL)

Application for Appointment

SECTION I—TYPE OR PRINT

Last Name, First Name, Middle Initial		Date of Birth:		Sex: <input type="checkbox"/> Male <input type="checkbox"/> Female		Social Security Number:	
Agent's E-Mail Address:		Home Phone Number: ()		Work Phone Number: ()		Fax Number: ()	
Agency Name (if agency is being licensed):			Federal ID Number: (for agency)			Title or Position:	
Agency/Business Address (Street & No.)							
City			State		Zip		County
Current Resident Address: Street Address		City		State	Zip	County	From Mo./Yr. To Mo./Yr.

SECTION II

1. Have you ever been appointed with Central Reserve Life (CRL), Continental General Insurance (CGI) or Provident American Life & Health Insurance Company (PALHIC)? Yes No
If Yes, Agent Code(s): _____
2. In which states are you now actively licensed? _____
3. Lines of Authority: _____
4. In which state(s) do you wish to be appointed? _____
(include copies of licenses for all states you are being appointed)
5. Do you presently have Errors & Omissions (E&O) coverage? Yes No If yes, include a copy of your Certificate of Coverage page
6. Have you had a claim against your E&O coverage within the past five years? Yes No If Yes, explain: _____

7. Are you indebted to any insurance company, general agent or manager? Yes No If Yes, explain: _____

8. Have you ever been investigated or fined by a state department of insurance or has your license ever been suspended or revoked, or has an application for license been denied by any insurance department? Yes No If yes, provide details on an attachment, including a copy of any final consent order or resolution.
9. During the past five years, have you ever been adjudged bankrupt, had tax liens against you or been a party or witness to litigation involving a client? Yes No If Yes, explain: _____
10. Have you ever been convicted of a felony or misdemeanor involving larceny, embezzlement, fraud, misrepresentation, conversion or other culpable misappropriation, or of any crime involving moral turpitude? Yes No If Yes, provide details on an attachment, including any documentation.

INCOMPLETE INFORMATION MAY DELAY THE APPOINTMENT PROCESS



Central Reserve Life Insurance Company (CRL) Agent Contract

This Contract is entered into by and between _____ (Agent), whose address is _____, and Central Reserve Life Insurance Company (CRL), Cleveland, Ohio 44136, and includes all CRL products, excluding any employer group plans.

The parties agree:

SECTION 1. APPOINTMENT, AUTHORITY AND RELATIONSHIP

You are hereby appointed as Agent of the Company to:

- a) Recruit and recommend any Agent for appointment as a Direct Agent (for purposes of this Contract, a "Direct Agent" is any agent who is licensed directly by You or under You) under this Contract subject to approval by the Company;
- b) Procure applications for life insurance and health insurance offered by the Company;
- c) Collect initial premiums and submit them to the Company;
- d) Deliver policies and provide service to policy owners.

You will be free to exercise Your judgment as to the time, place and means of exercising Your authority under this Contract. You are an independent contractor and nothing herein shall be construed to create the relationship of employer and employee between the Company and You.

SECTION 2: ACCOUNTING AND PAYMENT OF COMMISSIONS

- 2.1 Agent is not authorized to collect nor receive any premium, other than the initial premium on behalf of CRL. Such premium shall be payable to CRL in the form of a check or a money order. Immediately upon receipt of the initial premium, Agent shall submit such premium to CRL. Any other action by Agent shall be deemed conversion. You have no authority to endorse any checks made payable to CRL.
- 2.2 The amount of commissions payable due to conversions of a policy or group certificates of insurance and any other changes in the plan of insurance, including, but not limited to a waiver or all or any part of the premiums shall be governed by CRL's then in force rules and practices.
- 2.3 CRL reserves the right, at all times, to reject any application for insurance without specifying the cause, and to cancel, refuse to renew, or to modify any policy. Agent shall promptly refund all monies collected on any application by Agent on which policy is declined, on any application by Agent on which CRL issued a policy not accepted by the applicant, and on any application by Agent for which the premium is refunded. CRL shall have the right to set-off against commissions that may be payable to Agent, any indebtedness or obligation, of any kind whatsoever, owed by Agent to CRL or by any other lawful means of collecting indebtedness.
- 2.4 Any indebtedness due from Agent or his sub-agents will be a first lien on any monies due or to become due under this Contract and the Company may, at any time, deduct from any monies due Agent, any such indebtedness together with interest at the legal rate and any collection costs incurred by the Company. The Company has the right to charge and collect interest up to the highest lawful rate on debit balances created by the Agent or his sub-agents, no matter how such balances were created.
- 2.5 CRL shall not be affected by any assignment of the commissions payable under Agreement until the original or a certified copy of the assignment on a form approved by CRL has been received at its CRL's corporate office in Cleveland, Ohio. CRL does not assume responsibility for the validity or sufficiency of any assignment. CRL's payment of any assigned commissions fully releases CRL from any further obligations related to such commissions.
- 2.6 Unless inconsistent with state law, CRL shall deduct all renewal licensing fees from the Agent's commission account as they become due unless Agent has requested in writing that the reimbursement for the fee be handled in another manner.

SECTION 3. TERRITORY

You will not have exclusive rights to, or in, any territory. You will recruit and recommend any Direct Agent only in the licensed territory designated by the Company and described hereunder, subject to the right of the Company to change such territory at any time upon written notice. The Company reserves the right to terminate any Sub-Agent. You will conduct business only in a state or territory in which You and the Company are licensed and according to the provisions of:

- a) This Contract;
- b) The rules of the Company as heretofore or hereafter established by the Company;
- c) The laws, rules and regulations of any regulatory body having the power or authority to regulate such conduct or business. The Company reserves the right to discontinue doing business in all of, or any portion of, any state or territory and to discontinue or withdraw any form or policy from you without prejudice to the right of the Company to continue said form or policy with others.

SECTION 4. RESPONSIBILITIES

As Agent, You will:

- a) Recruit only properly licensed Direct Agents known to You to be of good character;
- b) Train and supervise any Direct Agent activity in the best interest of the policyholder and the Company;
- c) Be jointly and severally liable to the Company for any liability under the contract of any Direct Agent;
- d) Maintain and keep current all applicable continuing education, insurance licenses and certifications;
- e) Keep a full and true record and statement of all business transacted and all monies collected and received;
- f) Open any record or statement for examination and inspection as may be required by the Company;
- g) Forward to the Company any record, statement or other pertinent information as the Company may require;
- h) Hold all monies received or collected by You for or on behalf of the Company, in trust, separate and distinct from other funds, and promptly submit them to the Company;
- i) Have all checks, drafts, money orders or other monetary conveyances made payable to the Company and promptly submit them direct to the Company;
- j) Be responsible for any act or omission committed by You or Your Direct Agent;
- k) Be responsible for any debt owed to the Company by You or Your Sub-Agents (for purposes of this Contract, a "Sub-Agent" is any agent, however appointed, in Your hierarchy);
- l) Reimburse the Company for all costs, expenses and fees incurred by the Company in recovering any property or indebtedness owed to the Company by You or Your Sub-Agents;
- m) Report to the Company any client or regulatory complaints or inquiries;
- n) Forward to the Company by registered mail any legal process or notice served on You in any suit or proceeding against the Company;
- o) Make available all information which comes into Your possession concerning the underwriting of any risk;
- p) Obtain and process, where applicable, any necessary replacement or disclosure forms, or any other legally required form or document;
- q) Obtain and maintain errors and omissions insurance coverage in such reasonable amounts as CRL may from time to time require, list CRL as a named insured under all such coverage, and establish procedures to require that each Direct Agent also maintains such insurance coverage on behalf of CRL.

SECTION 5: AGENT CODE OF ETHICS AND PROCEDURES

You are a professional in the business of insurance. As such you realize the importance of maintaining the highest standard of ethics in dealing with the consumer and with each of the insurance companies you represent. In soliciting insurance or in otherwise providing insurance services, you are limited in the things you can say and do by insurance laws and the rules and practices of Central Reserve Life Insurance Company ("CRL"). The purpose of this Code of Ethics is to make you aware of CRL's general rules and regulations that you must comply with while acting as an "Agent" in the sale and servicing of CRL products.

As Agent, You agree to adhere to certain standards of market conduct and agree to train Your Direct Agents regarding these standards and enforce them accordingly. The standards include, but are not limited to:

- a) Rendering services to policyholders, applicants and beneficiaries as the Company may require, and generally promoting the best interest of the policyholder and the Company;
- b) Conducting business according to the high standards of honesty and fairness, making reasonable efforts to determine insurable needs and financial objectives of each client;
- c) Avoiding high pressure sales tactics;
- d) Engaging in active and fair competition;
- e) Not misrepresenting any policy benefit, condition or limitation;

- f) Not replacing or changing any existing insurance plan unless it is clearly in the best interest of the client;
- g) Complying with all applicable laws and regulations that pertain to the sale of insurance;
- h) Insuring that You and Your Direct Agents conduct Yourselves in a proper, ethical manner;
- i) Clearly disclosing all policy conditions and limitations to all clients;
- j) Learning and understanding all of the Company's products;
- k) Providing outstanding service to CRL policyholders after the sale.

5.1 General Rules (CRL's policies are written in simple and understandable terms and speak for themselves.)

As an Agent, you have **NO** authority to:

1. Bind insurance or bind CRL in any way, by any promise or agreement, unless and until approved in writing by CRL.
2. Waive or modify any of the terms or provisions of CRL's policies or applications, without approval in writing by CRL.
3. Waive or modify the terms of a Conditional Exclusion Rider or Individual Exclusion Rider.
4. Interpret, construe, misrepresent or otherwise adjudge the terms of our policies, including, but not limited to, whether:
 - a) an individual or group is or may become insured;
 - b) a condition or illness is covered under our policies; or
 - c) a claim will be paid.
 (Such questions can only be answered by certain authorized Home Office Personnel.)
5. Advise an Employer, Employee, Applicant, or other person that insurance will be effective on a certain date unless and until the Home Office has approved and has stated the effective date in writing.
6. Collect any premium other than the initial premium nor to deposit any premium check into your personal or business accounts.
7. Advise the Employer/Applicant to cancel existing coverage.
8. Instruct the Employee/Applicant (applicant) not to disclose any conditions or illness of which he has informed you.
9. Act in any way contrary to the rules and regulations of CRL as described in this and other CRL manuals, agreements, rate books, or general instructions.
10. Act in any way contrary to the laws and regulations governing the insurance business.
11. Extend the time for payment of any premium;
12. Waive any forfeiture, policy provision or premium payment;
13. Modify any rate, receipt or requirement;
14. Deliver or cause to be delivered any policy unless the proposed insured is in as good a condition of health and insurability as stated in the application for the policy;
15. Incur any debt or liability against the Company unless specifically authorized in writing by the Company;
16. Develop or use promotional or advertising material of any kind that pertains to the Company, whether or not the Company is named in such material, without prior written approval by an officer in the Company's Home Office. Advertising material includes, but is not limited to, any printed or published or audio visual material or sales talks utilized in personally solicited applications or through direct mail, newspapers, magazines, radio or television scripts, billboards, internet or similar displays where the advertisement uses the CRL name or logo or refers to any CRL products.

5.2 Rules Pertaining to Application Solicitation and Underwriting

For group insurance, the Participation Request and Agreement must be completed in full either by the Employer or by the agent from information obtained directly from the Employer. It must be signed by an authorized representative of the Employer. You are responsible for making sure it is complete.

You are responsible for making sure all questions on the enrollment application have been answered fully and completely. Medical information should include details as to diagnosis, treatment and medications, dates of treatment, degree of recovery, and name and address of the doctor or hospital. All information must be disclosed by the applicant. Home Office underwriters are the only ones who are authorized to determine whether a condition is material. **No exceptions exist to this rule.** For example, if an applicant tells you he saw his doctor for the flu last year, you cannot tell him it is okay to omit the information; rather, you must tell him that he must disclose it on the application.

Applications which have cross-outs, white-outs, incomplete answers, or alterations will result in delay or the return of the application for completion and resubmission.

If the applicant is unable to sign the application and has a valid Power of Attorney, attach a copy of the Power of Attorney to the application.

In soliciting the insurance, you are responsible for fully explaining to the Employer/Applicant all provisions of the Participation Request and Agreement, a Specimen enrollment application, the group insurance plan selected by the Employer, and all insurance benefits, limitations, exclusions, and conditions as described in the current CRL brochure. If further clarification is required, refer to a current copy of the sample specimen booklet. Be sure the Employer understands that the master insurance contract governs in all respects.

Agents are not permitted to solicit, sell or procure an application for insurance until they have in their possession an insurance agent's license authorizing them to solicit, sell or procure applications.

If you are the agent who solicits and sells the insurance to an employee or applicant, then you must personally perform all of the duties outlined herein. Consequently, you may not send an agent who is not licensed by CRL to perform any of these responsibilities nor may you delegate any of these responsibilities to an associate or an employee. (This provision applies to responsibilities that you have because you are a licensed agent [such as soliciting insurance, explaining benefits to prospective insureds, and signing participation requests and enrollment applications as the agent of record]. It does not mean that you have to perform every task by yourself, such as simple clerical tasks that can be performed by others.)

The initial premium check must be an Employer/Applicant check and it must be made payable to "Central Reserve Life Insurance Company." No agent is authorized to deposit any check made payable to Central Reserve Life Insurance Company into any personal or business account. The agent only has the authority to accept the premium check and forward it to CRL.

After receipt of the enrollment forms, depending on state laws, CRL may decide

1. not to accept the group/Applicant;
2. to decline to insure some employees or dependents; or
3. to require condition riders.

No insurance coverage goes into effect until the Employer/Applicant receives written notice of acceptance from the Home Office.

You are required to advise the Employer not to cancel existing coverage until receipt of written notice of approval by CRL. Otherwise, if CRL does not approve the Employer group for coverage, the group may lose all insurance coverage. Also, occasionally, a requested effective date cannot be approved, and if the Employer group/Member has canceled prior coverage, there may be a gap in coverage.

The Agent is responsible for making certain that the Participation Request and Agreement and the other enrollment forms are completed properly. If the enrollment forms contain errors or if the requested information is missing or incomplete, consideration for coverage may be needlessly delayed. And if necessary, CRL will reject the submission and return the enrollment forms to the agent for proper completion and resubmission.

5.3 Rules Pertaining to Claims and Coverage

CRL will not make a determination until a complete claim has been submitted. Claims' decisions may be delayed because CRL may have to obtain medical records or confirm eligibility. All policy terms and provisions will be taken into consideration before a determination is made.

Insureds may be required to obtain pre-admission certification (commonly referred to as "pre-certification" even though emergency certifications are obtained after the fact). However, even if pre-admission certification is obtained, *it is not to be construed as a determination that benefits will be paid for the hospitalization.* **You may not telephone to obtain pre-admission certification for an insured.**

Medical information is confidential and cannot be disclosed to you.

Insureds with questions concerning claim matters should be directed to the Home Office Customer Service Representative.

5.4 Sanctions

Misconduct by you, including violation of this Code of Ethics, can result in immediate termination of your license with CRL or any other agreement with CRL, as the case may be. If the misconduct or violation warrants, CRL may report it to the appropriate Department of Insurance or other governmental agency. CRL reserves all rights it may have to take any necessary legal action as the situation warrants.

5.5 Training

The field manager or other comparable person is responsible for learning about and staying knowledgeable concerning CRL's insurance products, operating policies and practices and procedures. Although the field manager is responsible for training each Writing Agent, each individual Agent is ultimately responsible for making certain he or she is thoroughly familiar with CRL products and practices before soliciting business.

SECTION 6. COMPENSATION AND STATEMENT OF ACCOUNT

Any compensation to be paid on applications procured by You or Your Sub-Agents under this Contract will be as set out and provided in the Compensation Schedule or Supplement accompanying and forming a part of this Contract. The Company may, at any time, terminate any Compensation Schedule or Supplement, or issue new Compensation Schedules or Supplements. Any resulting change in compensation will apply only to policies for which applications are submitted on or after the effective date of the new Schedule or Supplement. All such compensation will be payable subject to the terms and conditions of this Contract. Should the Company rescind or fail to issue or place any insurance, any compensation paid or advanced to You will be charged to You and will become an indebtedness owing to the Company. Compensation on any policy change, lapse, reinstatement, premium or policy adjustment, exchange, conversion or other issue or service program will be in accordance with the rules and practices heretofore or hereafter established by the Company.

The Company will provide You with a statement of Your account. You will be deemed to have agreed to each accounting statement unless You file with the Company a written objection to the statement within ninety (90) days of any disputed transaction.

SECTION 7. RETURN AND DELIVERY OF POLICIES

You shall return to the Company on demand all undelivered policies, receipts, lists, sales materials, records and any other documents or property belonging to the Company, and shall not retain longer than the authorized delivery period established by the Company any undelivered policies without the written consent of the Company. The Company may at its option and without notice to You or Your Sub-Agent charge to Your account or the Sub-Agent's account, a not-taken fee as prescribed in the rules and regulations of the Company, on any policies written by You or Your Sub-Agent on which satisfactory settlement or return of the policy contracts together with the receipts and releases satisfactory to the Company are not received within sixty (60) days from the date of issue of the policies.

SECTION 8. ASSIGNMENT AND LIEN FOR INDEBTEDNESS

No assignment of this Contract or any compensation payable hereunder will be valid unless the Company has given prior written consent by the President or Chief Financial Officer. The Company will have a first lien upon any sum payable to You, or anyone claiming through or under You, under this or any other contract, as security for any indebtedness due or to become due by You to the Company. Your acceptance hereunder will constitute an assignment of said sum for this purpose and the Company may offset such indebtedness against any sum due or becoming due You. You agree to execute such documents or forms as may be necessary for the Company to perfect the aforesaid lien. You will pay any indebtedness to the Company on demand unless otherwise specified by the Company.

SECTION 9. GUARANTEE OF SUB-AGENT'S INDEBTEDNESS

You absolutely and unconditionally guarantee and agree to take whatever steps are necessary to collect any Sub-Agent's indebtedness to the Company as may be charged from time to time to their account. The term "Sub-Agent's indebtedness" means the individual or aggregate indebtedness of any Sub-Agent (as shown by the Company's records). This term includes any amounts advanced to any Sub-Agent which are not repaid as a result of a policy lapse, rescission, cancellation, or any other event.

You agree that if any debts (debit balances) are incurred by any Sub-Agents, You will be required to obtain reimbursement from the Sub-Agent. If reimbursement is not made, You will be required to repay the Company such debt. Prior to charging a Sub-Agent's indebtedness to Your account, the Company will terminate the Sub-Agent's contract and make written demand for payment thereof. Thereafter, if the Sub-Agent fails to pay such indebtedness, such debt will be charged to Your account.

SECTION 10. INDEMNITY

You will be responsible for any act or omission by You or Your Direct Agents in the course of performing under this Contract and agree to indemnify and hold the Company harmless from any claim or demand, both liquidated or unliquidated, which may be asserted against the Company by reason of any such act or omission. You further agree that if any legal action is brought against either party hereto, or against both parties jointly, by reason of any such alleged act or omission, the Company may require You to defend such action at Your expense or, at its option, the Company may defend such action and You will reimburse the Company for any expense incurred as well as for any amount which may be recovered against the Company in such action, unless in the judgment of the Company You should not be held responsible.

SECTION 11. REMEDIES FOR BREACH BY YOU

In the event You fail to comply with any term of section 2, 3, 4 or 5 of this Contract, You will forfeit any compensation to which You might otherwise be entitled under any Contract or agreement under which You have represented the Company. In addition to such other rights and remedies the Company may have in law or equity, including recovery of damages, the Company will be entitled to an injunction enjoining You from any further violation of any term of any such section.

SECTION 12. MINIMUM PRODUCTION STANDARD

This Contract requires issued annualized production in every six month period. Failure to meet the production requirement may result in termination of the Contract.

SECTION 13. TERMINATION

This Contract may be terminated without cause by either party by giving oral or written notice to the other party. Termination without cause will not impair Your right to receive compensation otherwise payable providing such compensation exceeds \$600.00 in any consecutive 12 month period. Termination without cause will not impair the right of the Company under any provision of this Contract.

This Contract will automatically terminate without cause upon Your death, if a natural person, or upon dissolution, liquidation or lack of qualification, if You are a partnership or corporation. In the event of such termination, any compensation payable will be paid to Your legal representative or successors and assigns.

The Company may terminate this Contract with cause by giving You oral or written notice if You:

- a) Breach this Contract;
- b) Induce or attempt to induce, by Your action or any other action, any policy owner of the Company to relinquish, terminate, or replace with another company any policy issued by the Company;
- c) Induce or attempt to induce, by Your action or any other action, any agent or employee of the Company to terminate his or her relationship with the Company;
- d) Disclose any list, file, card or record containing the name of any policy owner of the Company without the prior written consent of the Company;
- e) Use advertising not found to be in compliance with Company and/or applicable Department of Insurance guidelines;
- f) Are charged with or convicted of a crime;
- g) Are subject to suspension or revocation of your license by any state regulatory agency.
- h) Collect any premium or payment for the Company, except initial premiums, or have any premium checks made payable to anyone other than CRL.

If this Contract is terminated with cause, You will forfeit all right, title and interest to all compensation otherwise payable under this or any other Contract between You and the Company. Termination with cause will not impair the rights of the Company under any provision of this Contract.

If, after termination of this Contract without cause, it is later discovered that while, or after, this Contract was in effect You committed any act that would have resulted in termination with cause, You will forfeit all right, title and interest to all compensation otherwise payable under this or any other Contract between You and the Company.

SECTION 14. ENTIRE AGREEMENT, AMENDMENT AND MODIFICATION

This Contract constitutes the entire agreement between the Company and You. The Company may amend this Contract at any time upon giving You thirty (30) days prior written notice of such amendment. The Company will not be bound by any other representation unless the same is made in writing and signed by both parties and which expresses by its terms an intention to modify this Contract. The forbearance of the Company to enforce strict compliance with any provision or condition of the Contract will not operate as a waiver of such provision or condition or as a release of You in any manner hereunder.

SECTION 15. PLACE AND EFFECTIVE DATE

This Contract will be governed by the laws of the State of Ohio and any litigation resulting from violation of this Contract will be brought in Cuyahoga County, Ohio. This Contract will be effective, if signed by You and thereafter executed by an authorized officer of the Company, as of the effective date shown below and supersedes all previous Contracts.

SECTION 16. SALE, MERGER, ASSIGNMENT, CONSOLIDATION OR OTHER TRANSFER OF BUSINESS

Agent shall not sell, assign, consolidate, transfer, or merge this Contract, or any business that is related to or connected in any way with this Contract, to any other person or entity, including but not limited to, another Sub-Agent, without the prior written consent and approval from CRL. Agent shall not assign or transfer any of the Sub-Agents within his/her hierarchy without prior written consent from CRL.

SECTION 17. RECRUITING AGENT/FIELD MANAGER AGREEMENT/REASSIGNMENT

Release by Mutual Agreement: If an agent wishes to be reassigned to a different recruiting agent/manager, the agent must request a release, in writing, from the current recruiting agent/manager. The current recruiting agent/manager must sign the release, indicating his/her agreement to the reassignment. A copy of the signed release must be forwarded to the Company's Licensing Department, which will record the change to the new recruiting agent/manager.

Six Months of Not Writing Business: If an agent has not written any new business for a minimum consecutive period of six (6) months, the Home Office shall have the right, in its sole discretion to reassign the agent to any other manager. Such reassignment may be initiated by the Home Office, or at the request of the writing agent or manager.

Upon Cancellation of License: If an agent voluntarily cancels his/her license and has written new business during the immediately preceding six (6) months, the agent may only be re-licensed under the same manager he/she had at the time of cancellation or wait six (6) continuous months before requesting to be re-licensed with a different manager. During this six (6) month waiting period, the agent may not write any new business with the company.

SECTION 18. MEDIATION AND BINDING ARBITRATION

- a) If a dispute arises out of or relates in any manner to subject matter of this Contract, or the breach thereof, or the business relationship between Agent and CRL, and if the dispute cannot be settled through negotiation, the parties agree first to try in good faith to settle the dispute by mediation under the Commercial Mediation Rules of the American Arbitration Association before resorting to arbitration.
- b) If a dispute arises out of or relates in any manner to the subject matter of this Contract, or the breach thereof, or the business relationship between Agent and CRL, and if the dispute cannot be settled through negotiation and mediation, the dispute shall be settled by arbitration under the Commercial Arbitration Rules of the American Arbitration Association, and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof.
- c) Any disputes pursuant to this section shall be heard by one arbitrator, who must be a member of the state bar actively engaged in the practice of law with expertise in the process of deciding disputes and interpreting contracts in the law of agency, and insurance.

SECTION 19. CRL APPROVAL—The Home Office of CRL shall have sole authority with respect to any contract or agreement with any Agent recruited by Agent or others in Agent's hierarchy. In addition, all licensing of any agents at any level shall be performed by the Licensing Department of CRL, and all agents recruited by Agent must conform to the market conduct standards of CRL.

AGREED AND ACCEPTED:

AGENT'S SIGNATURE: _____

AGENCY:* _____
(Agency Name) (Authorized Signature)

TITLE: _____ Date: _____

*Authorized agency's/corporate officer's signature is required only when appointing an agency or corporation.

CENTRAL RESERVE LIFE
INSURANCE COMPANY

Effective Date of this Contract: _____
(Do not complete. Date to be assigned by the Company)

BY: 

Title: Brad Wolfram, President



Central Reserve Life Insurance Company (CRL) Addendum to Agent Contract

This Addendum ("Addendum") is made to that certain Agent Contract currently existing by and among Central Reserve Life Insurance Company (CRL) and Agent.

PROTECTED HEALTH AND FINANCIAL INFORMATION

WHEREAS, state and federal laws and regulations have been enacted restricting the use and disclosure of Nonpublic Personal Financial Information, Nonpublic Personal Health Information and Protected Health Information, herein referred to as Personal Information (PI);

WHEREAS, the Parties wish to comply with such laws, including, but not limited to, the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") as amended, the federal Gramm Leach Bliley Act ("GLBA") as implemented on a state to state basis and the USA Patriot Act ("USAPA"), as well as with applicable regulations issued pursuant to HIPAA, GLBA and USAPA;

NOW, THEREFORE, for full and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties agree as follows:

1. In performing its duties and obligations under the Agent Contract, Agent shall have access to, create, receive, maintain or transmit PI. As such, Agent is a Business Associate. Accordingly, in performing its duties pursuant to the Agent Contract, Agent hereby agrees that it shall:

- a) Not use or further disclose PI other than as permitted or required by the Agent Contract or as otherwise permitted or required by law.
- b) Use appropriate safeguards to prevent unauthorized uses or disclosures of PI. Upon request of the Company, from time to time, Agent shall provide information to the Company regarding such safeguards.
- c) Implement administrative, physical and technical safeguards that reasonably and appropriately protect the confidentiality, integrity and availability of data that is electronically exchanged, including, without limitation, electronic PI that it creates, maintains or transmits on behalf of the Company. Upon request of the Company, from time to time, Agent shall provide information to the Company regarding such safeguards.
- d) Promptly report to the Company any security incident of which it becomes aware and any unauthorized uses or disclosures of PI of which it becomes aware, and mitigate, to the extent practicable, any harmful effect known to Agent of a use or disclosure of PI by Agent in violation of the requirements of this Addendum.
- e) Ensure that any agents of Agent, including, but not limited to, contractors and subcontractors, to whom Agent provides PI (including, without limitation, electronic PI) received from the Company, or created or received by Agent on behalf of the Company, agree to the same restrictions and conditions that apply to Agent with respect to such information, including, without limitation, the obligation to implement reasonable and appropriate safeguards to protect electronic PI.
- f) Notify the Company in writing within five (5) business days of any requests received by Agent from individuals seeking access to or copies of PI received or created by Agent on behalf of the Company, and respond to such requests when and as directed by the Company.
- g) Notify the Company in writing within five (5) business days of the receipt by Agent of any requests from individuals seeking to amend PI maintained by or on behalf of the Company, and respond to such requests when and as directed by the Company. Additionally, when and as notified by the Company, Agent shall incorporate any amendments, corrections and/or other documents or information to PI maintained by Agent and shall notify its contractors and subcontractors who receive PI of any such amendments, corrections and/or other documents or information.
- h) Notify the Company in writing within five (5) business days of any requests received by Agent from individuals seeking an accounting of disclosures of Protected Health Information and respond to such requests when and as directed by the Company. Additionally, Agent shall maintain and make available to the Company upon request a record of all disclosures of Protected Health Information made, including, at a minimum, the date of each disclosure, the name and address of the recipient of the Protected Health Information, a description of the Protected Health Information disclosed and the purpose of and basis for the disclosure.

- i) Make its internal practices, books, and records relating to the use and disclosure of Protected Health Information received from the Company, or created or received by Agent on behalf of the Company, available to the Company, or at the request of the Company, to the Secretary of the Department of Health and Human Services (the "Secretary") for purposes of determining the Company's compliance with HIPAA and the privacy regulations thereunder. Copies of any Protected Health Information so provided by Agent to the Secretary also shall be provided to the Company.
- j) At termination or expiration of the Agent Contract, if feasible, return or destroy all PI received from the Company, or created or received by Agent on behalf of the Company, that Agent still maintains in any form, and retain no copies of such information; or, if such return or destruction is not feasible, Agent shall extend the protections of this Addendum to the information and limit further uses and disclosures to those purposes that make the return or destruction of the information infeasible.

2. Agreements Related to USA Patriot Act Obligations: The Company is governed by federal laws which require the Company to comply with the Customer Identification section under the USA Patriot Act ("USAPA"). Under this regulation, insurers must set forth standards regarding the identity of their customers in connection with the purchase of insurance. Accordingly, the Company is required to obtain the following commitments from Agent, and Agent agrees it shall:

- a) For face-to-face solicitation, agents must confirm the identity of an individual applying for coverage. The identity of the individual must be confirmed by viewing either their driver's license, state identification or passport. Employer business will be confirmed by submission of a current wage and tax statement with the application for proper underwriting review. For all other solicitations (i.e. electronic or telephone solicitation), the agent must obtain at least their name, address, telephone number and Social Security Number for the Company to verify. All business will be run through the Company's routinely checked government-issued lists of known or suspected criminals.
- b) Not conduct business transactions with customers who provide suspicious identities or who fail to provide confirming evidence of their identities.

3. Injunctive Relief; Indemnification:

- a) Injunction: The parties acknowledge and agree that in the event of a breach or threatened breach by Agent of its duties and obligations hereunder with respect to PI, the Company shall be irreparably and substantially harmed and that remedies at law will not be an adequate remedy for such breach. Accordingly, in such event the Company shall be entitled to immediate injunctive relief against such breach or threatened breach. Such rights to injunctive relief shall be in addition to and not in limitation of any other legal and equitable relief available to the Company under applicable law.
- b) Indemnification: Agent hereby agrees to indemnify, defend and hold harmless the Company, its board of directors, officers, members, agents, employees, contractors, and personnel (the "Indemnitees") from and against any and all claims, demands, suits, actions, losses, expenses, costs (including reasonable attorney fees), obligations, damages, deficiencies, penalties, causes of action and liabilities (collectively, "Claims") incurred by the Company as a result of or that are proximately caused by any breach of the duties and obligations of Agent hereunder. The Company shall provide to Agent prompt written notice of relevant information and reasonable assistance (at Agent's expense) as may reasonably be requested by Agent in connection with the defense of any Claim. Notwithstanding the foregoing, Agent shall not settle any Claim without the consent of the Company which consent shall not be unreasonably withheld.

4. Termination: In addition to any other grounds for termination in the Agent Contract, the Company may immediately terminate the Agent Contract and any other contracts between the Company and Agent if it determines that Agent has violated any material requirements of applicable state or federal law or this Agreement. Alternatively, at the discretion of the Company, the Company may grant to Agent a reasonable time in which to cure any such violations to the reasonable satisfaction of the Company. The duties and obligations of Agent under this Addendum shall continue in effect notwithstanding any such termination.

5. Miscellaneous:

- a) Notices. Any notices to be provided hereunder shall be delivered in writing or electronically as follows:

If to the Company: Privacy Site Official Central Reserve Life Insurance Company 17800 Royalton Road, Cleveland, OH 44136-5197	If to the Agent: The Company's last recorded address for Agent
-------------------------------------------------------------------------------------------------------------------------------------	-------------------------------------------------------------------
- b) Amendment. The parties agree to amend this Addendum as necessary for the Company to comply with any future amendments or clarifications to HIPAA, USAPA or GLBA.

6. The Following Definitions Apply:

“Health Information” means any information, whether oral or recorded, in any form or medium that:

- a) is related by the consumer, or is created or received by a health care provider, health plan, public health authority, employer, life insurer, school or university, or health care clearinghouse; and
- b) relates to the past, present, or future physical or mental health or condition of an individual; the provision of health care to an individual; or the past, present, or future payment for the provision of health care to an individual.

“Individually Identifiable Health Information” means Health Information, including demographic information collected from an individual, and that:

- a) is created or received by a health care provider, health plan, employer, or health care clearinghouse; and
- b) relates to the past, present, or future physical or mental health or condition of an individual; the provision of health care to an individual; or the past, present, or future payment for the provision of health care to an individual; and
 - i) that identifies the individual; or
 - ii) with respect to which there is a reasonable basis to believe the information can be used to identify the individual.

“Nonpublic Personal Health Information” means Health Information:

- a) that identifies an individual who is the subject of the information; or
- b) with respect to which there is a reasonable basis to believe that the information could be used to identify an individual.

“Nonpublic Personal Financial Information” means:

- a) Personally Identifiable Financial Information; and
- b) any list, description or other grouping of consumers (and publicly available information pertaining to them) that is derived using any Personally Identifiable Financial Information that is not publicly available.

“Personally Identifiable Financial Information” means any information that:

- a) a consumer provides to obtain an insurance product or service from a licensee;
- b) about a consumer resulting from a transaction involving an insurance product or service between a licensee and a consumer; or
- c) is otherwise obtained about a consumer in connection with providing an insurance product or service to that consumer.

“Protected Health Information” means Individually Identifiable Health Information that is:

- a) transmitted by electronic media; and
- b) maintained in any medium deemed to be electronic media in HIPAA, or transmitted or maintained in any other form of medium.

All other terms and conditions of the Agent Contract between the Parties remain unchanged and in full force and effect.

**CENTRAL RESERVE LIFE
INSURANCE COMPANY**

By: 

Title: Brad Wolfram, President

AGENT:

Printed Name: _____

Signature: _____

Date: _____



Central Reserve Life Insurance Company (CRL)

Assignment of Commissions

Complete this section only if commissions are to be paid to another individual agent or agency other than the applicant:

For valuable consideration, the receipt of which is hereby acknowledged, I, the undersigned Assignor do hereby assign my commissions according the following terms and conditions to:

Name of individual or company to whom commissions are assigned (Assignee)

Street Address

City

State

Zip Code

Social Security No. or Federal Tax I.D.: _____

Terms and conditions of assignment:

This completed form must be received by CRL between the first (1st) and the fifteenth (15th) day of the month in order to be effective on the first day of the month following such receipt.

Check **ONE** of the following:

- This assignment shall apply to all present and future CRL commissions, subject to the stated terms, including commissions presently on CRL's books as of today's date and any commissions earned in the future.
- This assignment shall apply only to commissions based on business issued with an effective date of _____ and thereafter (does not assign any rights to commissions for CRL business written before the date inserted).

Check **ONE** of the following:

Binding Assignment of Commission

- (1) This is a permanent assignment of the commissions described above.
- (2) This assignment does not create any rights in Assignee to commissions earned on any business written after I have discontinued my business association with Assignee.
- (3) Unless otherwise released by the Assignee, in writing, Central Reserve Life Insurance Company (CRL) is hereby authorized to pay directly to the Assignee the commissions assigned herein.
- (4) This assignment is binding and cannot be revoked by me but may be released by the Assignee. If the Assignee wishes to release this assignment, the original, signed statement of release must be sent to CRL's Commission Department, which release shall be effective on the first day of the month following receipt.
- (5) This assignment creates permanent rights to the assigned commissions in the Assignee and I understand that I shall no right to revoke this assignment.

Non-Binding Assignment of Commissions

- (1) Until revoked by me according to the terms provided herein, Central Reserve Life Insurance Company (CRL) is hereby authorized to pay directly to the Assignee the commissions governed by this assignment.
- (2) This assignment is non-binding and can be revoked by me at any time by providing written notice to CRL's Commission Department. Such revocation shall be effective on the first day of the month following receipt of the written notice by CRL's Commission Department.
- (3) This assignment does not create any permanent rights in the Assignee to the assigned commissions and I shall have the right to revoke this assignment under the terms states herein.

Assignor Signature: _____

Date: _____

Address _____

Street

City

State

Zip Code

Social Security No. or Federal Tax I.D.: _____

If commissions are payable to an agency, the agency must be currently licensed and appointed (if applicable).

Incomplete forms will be returned and not processed.

Receive Your Commissions Faster with **Direct Deposit**

If you choose to have your commissions paid via direct deposit, commissions will be deposited twice a week. There is a \$50.00 minimum deposit required. Direct Deposit is only available for the CRL plans sold to individuals. Direct Deposit is not available for CRL Employer Group Products at this time.

If commissions are currently assigned to another agent or agency, the Assignee must complete the Direct Deposit Form. If the Assignee is a corporation, an officer of the corporation must complete the Direct Deposit information.

PLEASE PRINT:

Agent Name: _____ Agent Number: _____
 Financial Institution: _____ Branch: _____
 City: _____ State: _____ Zip: _____
 Account Number: _____ Routing Number: _____

Account Name

Account Name 1234 Main Street Anytown, OH 44444 216-555-1212	0101
PAY TO THE ORDER OF _____ \$ _____ _____ Dollars	Date _____
YOUR FINANCIAL INSTITUTION Anytown, USA	
⑆ 123456789 ⑆ 0101 34567890 ⑆	
Routing Number	Account Number

The 9-digit number at the beginning of this line that starts with a 0, 1, 2, or 3

I authorize Central Reserve Life, to initiate credit entries, and adjustments for any credit entries in error. This authorization will remain in effect until I have cancelled it in writing. I understand that my commission checks will be directly deposited at the above financial institution. Statement of Earnings will not be given over the phone. If your commissions are assigned, the bank information provided must be that of the assignee.

 Print Name of Agent/Agency Officer/Assignee Signature of Agent/Agency Officer/Assignee

 Print Agent's Name Date

RETURN COMPLETED DIRECT DEPOSIT FORM TO THE CRL LICENSING DEPARTMENT VIA FAX AT 444-572-8388

Appointment Fee Payment

State appointment fees are required at the time of initial appointment with the insurance company. Payment of the appointment fees may be made by credit card or by check.

Please indicate how appointment fees will be paid:

- By Check**—You must submit the appointment fee for each state. Submit a check made payable to CRL for the total appointment fees. Appointments will not be processed until the fees are received.
- Credit Card**—The state appointment fee(s) debited to your credit card will be based on the current appointment fee set by the state department of insurance for your company appointment. If you are appointed in multiple states, you will be charged the appointment fee for each state, if applicable. Please complete the credit card information below:

Names as it appears on Credit Card: _____
 Type of Credit Card: VISA MasterCard AMEX
 Account Number: _____ Expiration Date: _____

I acknowledge that all the information above is correct. I authorize the Central Reserve Life Insurance Company to process my agent application and other enrollment materials including charging my credit card for the appropriate fees as outlined above.

Agent Signature: _____



Central Reserve Life Insurance Company (CRL) Agent Authorization

I understand that a consumer report or an investigative consumer report may be generated on me that may include information as to my character, general reputation, personal characteristics, or mode of living; work habits, performance or experience, along with reasons for termination of past employment/professional license or credentials; financial/credit history; or criminal/civil/driving record history. I fully give my consent to and understand that Central Reserve Life Insurance Company (CRL) and/or their authorized agent, may be requesting information from public and private (i.e. personal interviews) sources about any of the information noted earlier in this paragraph in connection with the Company's consideration for my appointment as a sales agent or at any time during my appointment. I release and indemnify any liability that might result from making such investigations, to the extent I may legally do so. I understand that a telephonic facsimile or photographic copy of this release shall be as valid as the original. This release is valid for most federal, state and county agencies.

I hereby authorize, without reservation, any financial institution, law enforcement agency, information service bureau, school, employer or insurance company, contacted by the Company and/or the Company's authorized agent, to furnish the information described above.

I understand that I have the right to request "A Summary of Your Rights Under the Fair Credit Reporting Act". I also understand that I may request in writing, within a reasonable time, the nature and scope of the investigation.

FOR MINNESOTA AND OKLAHOMA AGENTS:

You have the right to obtain a copy of the consumer report ordered.

Check here to receive a copy.

FOR CALIFORNIA AGENTS:

You have the right to obtain a copy of the consumer report ordered.

Check here to receive a copy.

Under section 1786.22 of the California Civil Code, you may view your file maintained by the consumer reporting agency, General Information Services, Inc. (GiS), during normal business hours. You may also obtain a copy of your file in person at GiS or by mail, with proper identification and paying the costs of duplication services. You may also receive a summary of the file by telephone. The agency is required to have personnel available to explain your file to you and the agency must explain to you any coded information appearing in your file. If you appear in person, a person of your choice may accompany you, provided that this person furnishes proper identification. GiS can be contacted at P.O. Box 353, Chapin, SC 29036 or by calling 1-866-265-4917.

I also acknowledge that I have thoroughly read and understand, and hereby agree to comply with the Agent Contract and any Addenda and request Central Reserve Life Insurance Company to proceed with my appointment as a sales agent.

Date: _____ Agent's Signature: _____

TO BE COMPLETED BY FIELD MANAGER:

Agent Name: _____ Contract Commission Level: Agent II Agent Sr. Agent

Agent Reports to: (include all applicable hierarchy levels): _____ Agent Number: _____

MGA: _____

GA: _____

Sr. AGA/AGA: _____

Sr Agent: _____

Agent/Agent II: _____

I recommend this agent be appointed with Central Reserve Life Insurance Company.

Field Manager Signature: _____ Date: _____