

Administrative Services Agreement

PBA Essential [Preventive Care Plan]

This Administrative Services Agreement (the "Agreement") is entered into _____ day of _____, by and between **Pan-American Life Insurance Company**, a Louisiana Corporation ("PALIC") and _____ **Sample** ("Customer"), as Plan Sponsor and/or Administrator of a self-funded employee benefits plan (the "Plan").

ARTICLE I

Services and Scope of Undertaking

1.1 Provision of Services. Subject to the terms and conditions of this Agreement, for the term of this Agreement, PALIC shall provide to Customer, and Customer shall purchase from PALIC, the Services as set forth in this Agreement and any Exhibits attached hereto and incorporated herein by reference, which are related to the Plan. A copy of the Plan is incorporated herein.

1.2 Scope of Undertaking. Customer has sole and final authority to control and manage operation of the Plan. PALIC does not assume any responsibility for the general design of the Plan, the adequacy of funding required by the Plan, or any act or omission or breach of duty by Customer. Nor is PALIC in any way deemed to be an insurer, underwriter, or guarantor with respect to any benefits payable under the Plan. PALIC provides claims administration services only and does not assume any financial risk or obligation with respect to claims for benefits payable by Customer under the Plan. Nothing herein shall be deemed to constitute PALIC as a party to the Plan or to confer upon PALIC any authority or control respecting management of the Plan, authority or responsibility in connection with administration of the Plan, or responsibility for the terms or validity of the Plan. Nothing in this Agreement shall be deemed to impose upon PALIC any obligation to any employee of Customer or any person who is participating in the Plan.

ARTICLE II

Term

2.2 Term. The initial term of this Agreement shall be for a period of twelve (12) months commencing on **January 0, 1900** (the "Effective Date") and ending on **December 31, 1900**. This Agreement shall automatically renew thereafter on a year-to-year basis upon the same terms and conditions unless either party provides the other with written notice of the desire to terminate or modify this Agreement, or change the fees hereunder, at least sixty (60) days prior to the end of the initial term or any annual anniversary date thereafter.

PALIC Administrative Services Agreement

Client Name **Sample**

ARTICLE III
PALIC'S Obligations

3.1 PALIC Obligations. PALIC's sole responsibilities to Customer shall be limited to those described in this Agreement and any Exhibits attached hereto. As of the Effective Date, PALIC shall:

- (a) Provide the Administrative Claims Processing Services to Customer in accordance with Exhibit "A" attached hereto and incorporated herein by reference.
- (b) Facilitate the Ancillary Services for Customer from the Vendors, in accordance with Exhibit "A" attached hereto and incorporated by reference.
- (c) Maintain books and records of all transactions subject to this Agreement and between Customer and Enrollees in accordance with standards of record keeping customary in the health and welfare benefits administration industry. PALIC acknowledges that the appropriate regulatory authority has the right to inspect all records and books that are maintained by PALIC in accordance with this Agreement.
- (d) Maintain all licenses and permits required by applicable federal, state and local statutes and regulations to carry out its obligations under this Agreement. PALIC represents and warrants that it is and will remain during the term of this Agreement in compliance with applicable state and federal laws.

3.2 Reliance on Instructions and Plan Documents. PALIC may rely upon any written instructions or information relating to PALIC's performance of Services provided to PALIC by Customer or Customer's designated representatives, and reasonably believed by PALIC to be genuine and authorized by Customer. PALIC shall incur no liability resulting from PALIC's reasonable reliance on such instructions or information.

3.3 Standard of Care. PALIC shall use reasonable care and due diligence in the exercise of its powers in the performance of its duties under this Agreement. If PALIC makes any payment under this Agreement to an ineligible person, or if more than the correct amount is paid, PALIC shall make a diligent effort to recover any payment made to or on behalf of an ineligible person or any overpayment, except where payment is made specifically at the direction of the Customer or Plan Administrator. However, in no event shall PALIC be liable for such payment, unless PALIC would otherwise be liable under another provision of this Agreement.

3.4 Non-Discretionary Duties. PALIC and Customer agree that the duties to be performed by PALIC hereunder are non-discretionary duties. PALIC will assist in the coordination of services by certain vendors to Customer's Plan at the request of Customer, provided that, unless otherwise agreed upon in writing, PALIC shall not be liable for payment to such vendors. PALIC and Customer may also agree to additional duties in writing as may be specified in any Exhibits and/or amendments from time to time.

**ARTICLE IV
CUSTOMER'S OBLIGATIONS**

4.1 Assume Responsibility for Plan Administration and Plan Interpretation. Customer has the sole authority and responsibility for the Plan and its operation, including the authority and responsibility for administering, construing, and interpreting the provisions of the Plan and making all determinations thereunder. Customer gives PALIC the authority to act on behalf of Customer in connection with the Plan, but only as expressly stated in this Agreement or as mutually agreed upon in writing between Customer and PALIC. All final determinations as to an Enrollee's entitlement to Plan benefits are to be made by Customer, including any determination upon appeal of a denied claim for Plan benefits. Customer is considered the Plan Administrator and named fiduciary of the Plan benefits for purposes of the Employee Retirement Income Security Act of 1974 ("ERISA"), as amended.

4.2 Provide Plan Information to PALIC. Customer shall furnish to PALIC all information necessary for PALIC to perform its functions hereunder, including information concerning the Plan and the eligibility of individuals to participate in and receive Plan benefits. PALIC shall have no responsibility with regard to benefits paid in error due to Customer's failure to timely update any information required to be furnished pursuant to this Section. Additionally, should Customer fail to provide PALIC with any information necessary in order for PALIC to comply with applicable federal and/or state law reporting requirements, Customer shall be solely responsible for payment of any monetary penalties assessed against PALIC as a result thereof.

4.3 Plan Documents. Customer is responsible for the Plan's compliance with all applicable federal and state laws and regulations. Customer acknowledges that PALIC is not providing tax or legal advice and that Customer shall be solely responsible for determining the legal and tax status of the Plan.

4.4 Maintain Necessary Licenses. Customer shall maintain and file all licenses, permits, reports and disclosures and maintain the Plan in compliance with and as required by applicable federal, state, and local statutes and regulations.

4.5 Perform All Functions Not Assigned to PALIC. Customer shall perform any other administrative functions not expressly assumed by PALIC hereunder.

PALIC Administrative Services Agreement

Client Name Sample

4.6 Exercise Final Authority Over Plan. Customer shall have all discretionary authority and control over the management and disposition of Plan assets to the exclusion of PALIC. PALIC shall not exercise any authority or control with respect to the management or disposition of the assets of the Plan. PALIC shall have no responsibility or liability with respect to (i) any funding of Plan Benefits, (ii) any insurance coverage pertaining to the Plan, Enrollees, or Customer, except for excess of loss coverage in favor of the Customer or Plan, when and if issued by PALIC, or (iii) the nature or quality of professional health services rendered to Enrollees.

4.7. Payment of Plan Benefits. Customer intends that the benefits of the Plan shall be paid from the general assets of the Customer, in its role as the employer that sponsors the Plan. It is specifically intended that the Plan, itself, will not have assets. The provision of sufficient monies to make any benefit payment to or on behalf of Enrollees under the Plan or any other obligation of the Plan, is the sole responsibility of Customer, and Customer agrees to accept liability for, and provide sufficient monies to satisfy, all obligations of the Plan, including claims for reimbursement of covered expenses. As a condition precedent to the receipt of PALIC's claims administration services hereunder, Customer shall, as of the effective date of the Plan, and monthly thereafter (prior to the first day of the month), provide monies from Customer's general assets for deposit in the banking accounts established under Section 4.8, which are projected to be sufficient to cover claims costs arising under the Plan in the succeeding month. This advance deposit requirement for Customer will be consistent with expected claims cost and expense factors communicated by PALIC to Customer prior to the effective date of the Plan year. However, the provision of such advance deposits is for administrative convenience only; such advance deposits are not intended to and do not create assets which are segregated from the Customer's general assets. If, at any time, the payments provided in advance for the Plan's expected claims costs are insufficient to cover pending claims, Customer will upon 3 days' notice from PALIC provide the additional monies (by ACH) necessary cover these claims costs.

4.8 Authorize PALIC Under Plan Banking Arrangements. Customer shall provide sufficient monies to cover all of its obligations to the Plan, and PALIC has no duty or obligation, legal or otherwise, to make such payments should Customer fail to make any necessary payments. With the assistance of Customer, PALIC shall establish for Customer a claims payment account at a bank selected by PALIC under the FEIN of the Customer, representing part of the general assets of the Customer. Customer shall specifically authorize PALIC to issue checks (or other draft payment or debit) against the Account. Customer shall enter into such agreements and provide instructions to the bank, as necessary, in order to implement this Section 4.8. PALIC shall have sole authority to provide whatever notifications, instructions, or directions as may be necessary to accomplish the disbursement of monies from the claims payment account to or on behalf of enrollees in payment of approved claims, without prior authorization from Customer.

PALIC Administrative Services Agreement

Client Name Sample

4.9 Unclaimed Funds. Following the anniversary of this Agreement and every six months thereafter while this Agreement remains in force through renewal, PALIC shall provide to Customer a file enumerating any unclaimed funds in the claims payment account. For the purpose of this Section, an unclaimed fund shall mean any Plan obligation represented by a check which remains unprocessed more than six months after its date of issue. It shall be the responsibility of Customer to fulfill escheat obligations, if any, with respect to the unclaimed funds; and upon request from Customer, PALIC shall remit funds to Customer from the claims payment account as may be necessary for Customer to fulfill its obligation under the escheat laws, if any. Following termination of this Agreement and any renewal thereof, PALIC shall relinquish any control over the claims payment account in favor of Customer (or remit the corpus of the account to Customer), along with a listing of unprocessed checks; and PALIC shall have no further obligations with respect to the potential escheat of unclaimed funds.

ARTICLE V
CHARGES FOR SERVICES PERFORMED

5.1 PALIC Services Charges. The amounts of the monthly administrative service charges of PALIC are described in the Exhibit "B" attached hereto, and Customer shall pay PALIC for all Services provided under this Agreement, or PALIC may deduct the fees from banking accounts established per section 4.8. Except as otherwise provided in Exhibit "B," PALIC shall invoice Customer on or before the twentieth (20th) day of each month for PALIC administrative service charges attributable to the month immediately following the invoiced date. Customer shall make payment to PALIC no later than ten (10) business days after the invoice date. Customer agrees to pay the invoiced amount in full and any subsequent adjustments shall be reflected in the next billing cycle. Should Customer fail to make payment to PALIC within this time period, such amounts may, in PALIC's sole discretion, be automatically deducted from any advance claims funding provided by Customer pursuant to Article IV. Customer also acknowledges that failure to timely pay any invoiced amounts when due may result in automatic suspension of all services provided hereunder until all past due amounts are received by PALIC. Suspension of services for nonpayment may also extend to any subcontractors and/or vendors listed in Exhibit "A". Notwithstanding any other remedies provided herein, any amount due pursuant to Exhibit "B" that is not timely paid shall thereafter bear interest until paid at a rate of interest equal to three percent (3%) per annum more than the prime rate established by Citibank N.A. of New York, or the maximum rate permitted by law, whichever is less.

5.2 Billing of Charges. As reasonably requested by Customer, PALIC shall provide to Customer reasonable documentation and back-up to explain or detail its administrative service charges. When applicable, PALIC shall have the right to audit the employment records of the Customer only as necessary to verify the accuracy of the fee calculations. All charges contemplated by this Agreement, whether provided for in this or any other section or Exhibit, shall be included on Customer's monthly statement. The charges may be separately itemized; however, the statement shall be totaled as one amount for such billing month.

PALIC Administrative Services Agreement

Client Name Sample

5.3 Fee Adjustments. PALIC shall have the right to adjust the fees set forth in Exhibit “B” if (i) the Plan or applicable federal and/or state law is amended to modify benefits in a manner that materially effects PALIC’s administrative duties, (ii) there is a material variation, of at least ten percent (10%), in participant enrollment or family coverage, or (iii) PALIC’s cost of operation is increased solely by virtue of increased postal charges. Said fee adjustment, if any, shall be limited to the amount of increased cost incurred by PALIC due to any of the above listed changes.

5.4 Taxes. In addition to any other charges provided for in this Agreement, Customer shall pay, or reimburse PALIC for the payment of, any taxes, however designed or levied, based upon any charges under this Agreement, or upon the Services provided under this Agreement, or their use, exclusive, however, of franchise taxes or income taxes based on income of PALIC.

**ARTICLE VI
CONFIDENTIALITY;
OWNERSHIP AND USE OF DATA**

6.1 Confidentiality.

(a) Both parties agree to keep all confidential materials and information of the other confidential. Neither party shall reproduce, disclose or disseminate the confidential information of the other party to third parties without the prior written consent of such other party. Notwithstanding the communication and dissemination of information necessary to provide the Services required by this Agreement, all records and other information pertaining to the Plan and its beneficiaries shall be treated as confidential information.

(b) Notwithstanding the foregoing, Customer acknowledges and agrees that PALIC may disclose confidential information received by PALIC pursuant to this Agreement if such disclosure is (a) compelled by any court decree, subpoena or other legal, administrative or regulatory order or process, or (b) in the opinion of its counsel, otherwise required by law, rule, or regulation, or necessary or appropriate in connection with any litigation or other proceeding to which PALIC or its Affiliates is involved. To the extent practicable and not otherwise prohibited by law or any such order or process, PALIC will use commercially reasonable efforts to notify Customer prior to any proposed disclosure of confidential information hereunder.

(c) Both parties agree to comply with terms and conditions of the Business Associate Agreement set forth in Exhibit “C” attached hereto and incorporated herein by reference.

PALIC Administrative Services Agreement

Client Name Sample

6.2 Ownership and Use of Data.

(a) Customer shall be entitled to reasonable access to said records and Plan information for purposes of fulfilling its obligations to Plan Enrollees. Upon termination of this Agreement, PALIC may deliver said records and Plan information, in original form or on electronic media, as determined by PALIC in its sole discretion to the Customer or its designated agent. Records are shipped at cost to the Customer. Any special turnover reports at time of termination will be provided at an additional cost to the Customer. PALIC shall maintain copies of any records required by law following termination of this Agreement; and subject to its confidentiality obligations, PALIC may in its discretion additionally maintain electronic records of claims and claims data which PALIC received in its role as a claims administrator for Customer's Plan.

(b) Customer agrees that PALIC is the sole owner of the following materials and that Customer has no right to their use following termination of this Agreement, it being agreed that such materials were not prepared at the expense of Customer:

- i. claim processing and payment manuals;
- ii. administrative procedure manuals;
- iii. data processing system designs;
- iv. computer programs, software and equipment.

**ARTICLE VII
TERMINATION**

7.1. Termination for Convenience. Either party may terminate this Agreement without cause at the conclusion of the initial term or any anniversary thereafter, upon 60 days prior written notice to the other party. Additionally, PALIC may terminate this Agreement without cause without any prior notice to Customer, if Customer ceases to maintain in force with PALIC fully insured indemnity benefit coverage.

7.2. Termination for Cause. If either party materially defaults in the performance of any of its obligations under this Agreement (except for a default in payments to PALIC governed by Section 7.3), which default shall not be substantially cured within sixty (60) days after written notice is given to the defaulting party specifying the default, then the party not in default may, by giving notice to the defaulting party, terminate this Agreement as of a date specified in such notice of termination. Notwithstanding the foregoing, with respect to material defaults (except for a default in payments to PALIC) that cannot reasonably be cured within sixty (60) days, it shall not be a default under this Section if the defaulting party in good faith proceeds within sixty (60) days to commence curing said default and thereafter prosecutes with due diligence the curing of such default to conclusion.

PALIC Administrative Services Agreement

Client Name Sample

7.3. Termination for Nonpayment or Non-Cooperation. In addition to any other remedies provided for in this Agreement, should Customer default in the payment when due of any amount due to PALIC or fail to provide sufficient funds to cover all of its obligations under the Plan, or fail to provide information required by PALIC to properly administer claims, and does not cure such default(s) or fund within ten (10) days after being given notice, then PALIC may, by giving written notice to Customer, terminate this Agreement as of a date specified in such notice of termination.

7.4. Termination for Insolvency. If either party is declared insolvent or bankrupt in a legal proceeding, is the subject of any proceedings related to its liquidation, insolvency or for the appointment of a receiver, conservator or similar officer for it, makes an assignment for the benefit of all or substantially all of its creditors, or enters into an agreement for the extension or readjustment of all or substantially all of its obligations, then all payment obligations under this Agreement shall be deemed to be administrative expenses of the bankrupt party. The liquidator, trustee, receiver, conservator, manager or other agent or representative shall have sixty (60) days following its designation as such in the proceedings to notify the other party that it is terminating this Agreement as of a date within such sixty (60) day period. If other party is not so notified, this Agreement shall not be terminated, but shall continue on all of the terms and conditions stated in this Agreement, including without limitation, the payment terms specified in Article IV.

7.5. Termination Obligations. Upon the expiration or termination of this Agreement for any reason, PALIC shall have no further obligation to handle any pending claims to conclusion and Customer shall immediately pay to PALIC any payments due for services provided under this Agreement. Upon such payment, PALIC shall turn over all pending claims and employee accumulations to the Customer or the Customer's designee.

7.6. Run-Out Services. In the event of the renewal of the Agreement as of any anniversary, PALIC will continue to process, at no additional charge to Customer, any claims incurred during the prior year under the terms of the Plan in force when such claims were incurred.

In the event the Plan is not renewed or terminated prior to renewal, and unless instructed in writing by the customer to otherwise decline run-out services, PALIC will continue to provide claims administration services hereunder for an additional 3 Calendar Months following the non-renewal of the Agreement or the Plan termination, provided that Customer pays a run-out fee for Claims Administration Services each month that PALIC continues to provide claims administration services and Customer otherwise satisfies its obligations under Article IV. The monthly run-out fee shall equal the average of the PEPM charges for Claims Administration Services for the three months immediately preceding the commencement of the run-out services. PALIC will automatically deduct the run-out fee from the Banking Arrangements established per section 4.8.

PALIC Administrative Services Agreement

Client Name Sample

**ARTICLE VIII
INDEMNITIES AND LIABILITIES**

8. Indemnification and Liabilities

(a) In performing its obligations under this Agreement, PALIC neither insures nor underwrites the liability of the Customer's Plan. PALIC shall have no duty or obligation to defend against any legal action or proceeding brought to recover a claim for Plan benefits or any causes of action for expenses or liabilities incident to the Plan. PALIC shall, however, make available to Customer and its counsel, such evidence that relates to such action or proceeding as PALIC may have as a result of its administration of the contested benefit determination. PALIC shall promptly notify in writing the Customer or its designated legal counsel of any legal actions that involve the Plan or Customer.

(b) Except as otherwise explicitly provided in this Agreement, Customer shall retain the responsibility for all Plan benefit claims and all expenses and liabilities incidental to the Plan and agrees to indemnify and hold harmless PALIC, its directors, officers, employees, affiliates and subsidiaries for and from all amounts and expenses (including reasonable attorneys' fees and court costs) for which PALIC may become liable resulting from Customer's breach of this Agreement or arising out of any legal action or proceeding claiming a breach of fiduciary duty or claiming to recover benefits under the Plan.

(c) PALIC shall use reasonable care and diligence in the exercise of its powers and the performance of its duties as defined by this Agreement or as set forth in written instructions submitted by the Customer or its designated representative. Furthermore, PALIC agrees to indemnify the Customer and hold the Customer harmless against any and all amounts and expenses (including reasonable attorneys' fees and court costs) for which Customer may become liable resulting from or arising out of negligent, fraudulent or criminal acts of PALIC's employees, either acting alone or in collusion with others, except as otherwise provided in Section 3.3.

(d) If any action, suit or other proceeding is commenced, or any claim or demand is asserted, relating to or in respect of which a party (an "Indemnitee") demands indemnification pursuant to this Section (each a "Claim"), the Indemnitee shall, with reasonable promptness, notify the party from which such indemnification is demanded (the "Indemnitor") of such Claim. Such notice shall describe the nature of such Claim in reasonable detail and include such written information that the Indemnitee has received with regard to the Claim as may be reasonably necessary for the Indemnitor to evaluate such Claim. The Indemnitee's failure to give such notice to the Indemnitor shall not relieve the Indemnitor from any of its or his obligations under this Agreement, except to the extent such failure materially and substantially prejudices the defense of the action or proceeding by the Indemnitor. The Indemnitor shall have the right to control the defense of any action, suit or other proceeding brought by a third party that constitutes a Claim (each a "Third Party Claim") with counsel approved by the Indemnitee, which approval shall not be unreasonably withheld, conditioned or delayed, all at the Indemnitor's sole cost and expense. The Indemnitor may not settle any such Third Party Claim without the Indemnitee's

consent, which consent shall not be not unreasonably withheld, conditioned or delayed (provided, however that Indemnatee shall not be required to consent to any admission of guilt or criminal wrongdoing as part of any settlement), and the Indemnatee, at his or its sole cost and expense, may employ separate counsel and participate in the defense thereof. The Indemnatee and Indemnitor shall reasonably cooperate with each other in connection with each Third Party Claim.

**ARTICLE IX.
MISCELLANEOUS**

9.1 Binding Nature and Assignment. This Agreement shall be binding on the parties and their respective successors and assigns. Except with regard to the Ancillary Services identified in this Agreement, neither party may assign its rights or delegate its rights or delegate its material obligations under this Agreement without the prior written consent of the other party, except that PALIC may assign or subcontract the performance of its obligations under this Agreement to any of its Affiliates.

9.2 Entire Agreement. This Agreement, including any Exhibits attached to this Agreement, each of which is incorporated herein for all purposes, constitutes the entire agreement between the parties with respect to the subject matter of this Agreement as of the date hereof and supersedes any prior agreements or arrangements between PALIC and Customer regarding the subject matter of this Agreement. This Agreement may be amended, modified or changed only by a written instrument executed by both PALIC and Customer.

9.3 Practice of Law. It is understood and agreed that PALIC will not perform, and the Customer will not request performance of, any services which may constitute the unauthorized practice of law.

9.4 Severability. If any provision of this Agreement is declared or found to be illegal, unenforceable or void, then both parties shall be relieved of all obligations arising under such provision, but only to the extent that such provision is illegal, unenforceable or void, it being the intent and agreement of the parties that this Agreement shall be deemed amended by modifying such provision to the extent necessary to make it legal and enforceable while preserving its intent or, if that is not possible, by substituting therefore another provision that is legal and enforceable and achieves the same objective. In addition, if such illegal, unenforceable or void provision does not relate to the payments to be made to PALIC, and if the remainder of this Agreement shall not be affected by such declaration or finding and is capable of substantial performance, then each provision not so affected shall be enforced to the maximum extent permitted by law.

PALIC Administrative Services Agreement

Client Name Sample

9.5 Waiver. No delay or omission by either party to exercise any right or power under this Agreement shall impair such right or power or be construed to be a waiver thereof. A waiver by either party of any right or power hereunder shall not be construed to be a waiver of any those rights or powers with respect to any succeeding event. All remedies provided for in this Agreement shall be cumulative and in addition to and not in lieu of any other remedies available to either party at law, in equity or otherwise.

9.6 Relationship of Parties. In providing Services to Customer under this Agreement, PALIC is acting only as an independent contractor and not as a fiduciary of the Plan or an employee of Customer. Nothing in this Agreement shall be deemed to constitute or create a joint venture, partnership, pooling arrangement or other form of business entity between PALIC or any of its Affiliates and Customer or any of its Affiliates. It is acknowledged that PALIC is performing ministerial functions on behalf of and under the control and general requirements of Customer. PALIC does not undertake by this Agreement or otherwise to perform any obligation of Customer, whether regulatory or contractual, or to assume any responsibility for Customer's business or operations.

9.7 Force Majeure. Each party shall be excused from performance under this Agreement (except with respect to the payment of monies) for any period and to the extent that it is prevented from performing any action, in whole or in part, as a result of delays beyond its reasonable control caused by the other party or by an act of God, war, civil disturbance, court order, labor dispute, third party nonperformance, or other cause beyond its reasonable control, including without limitation, failures or fluctuations in electrical power, heat, light, air conditioning or telecommunications equipment. Such nonperformance shall not be a default or a ground for termination of this Agreement. Each party shall endeavor to promptly remedy the cause of any such nonperformance.

9.8 Notices. Wherever under this Agreement either party is required or permitted to give notices to the other, such notice shall be deemed given when in writing and (i) when personally delivered in hand by nationally-recognized independent courier service or (ii) when sent via certified mail, postage prepaid, to the other party at the address set forth below:

To PALIC:
Carlo Mulvenna (or other duly authorized officer)
Pan-American Life Insurance Company
601 Poydras Street
New Orleans, LA 70130

To Client:

(or other duly authorized officer)

Address

PALIC Administrative Services Agreement

Client Name Sample

9.9 Choice of Law; Venue. The laws of the State of Louisiana (without regard to its choice of law principles that might apply the law of another jurisdiction) shall govern the validity of this Agreement, the construction of its terms, and the interpretation and enforcement of the rights and duties of the Parties. If any action is brought in connection with this Agreement, each of the Parties hereto expressly submits to jurisdiction in any federal court located in New Orleans, Louisiana, and waives any claim of improper jurisdiction or lack of venue in connection with any such matter.

9.10 Beneficiaries. This Agreement is solely for the benefit of the parties and their successors and permitted assigns, and does not confer any rights or remedies on any other person or entity.

IN WITNESS WHEREOF, the parties have executed this Agreement, in duplicate, by their duly authorized

Employer Name

Pan-American Life Insurance Company

Sample

By: _____

By: _____

Its: _____

Its: _____

PALIC Administrative Services Agreement

Client Name Sample

EXHIBIT "A"

ADMINISTRATIVE CLAIMS PROCESSING SERVICES

PALIC shall provide the following administrative services in connection with the Plan:

A. Provide information, based solely on records provided by Customer, concerning Plan eligibility and Plan benefits to all Plan Enrollees and to health care providers providing services to Enrollees, by toll-free telephone during normal business hours, and by mail in response to written inquires. Such information shall not constitute a determination of benefits that will be paid under the Plan, or a guarantee or certification to anyone that any amount will be paid. Benefit determinations can only be made after a complete claim is submitted and fully processed by PALIC and are subject to all eligibility requirements, limitations, exclusions and other provisions of the Plan in effect when a claim is incurred.

B. Perform the following claims administration services in accordance with the terms of the Agreement and the Plan Documents provided pursuant to the Agreement.

1. Receive and review claims and claims-related documents. Substantiate eligibility and calculate amounts payable under the Plan pursuant to the terms and conditions of the Plan. PALIC shall not have the power or the authority to alter, modify, or waive any terms of the Plan; Notwithstanding the foregoing, PALIC may follow any specific instructions of the Customer or Plan Administrator with respect to the payment of a benefit, without liability to PALIC.

2. Correspond with enrollees and/or healthcare providers to obtain any required additional information and to determine whether other coverage for the claim exists under other benefit plans, insurance contracts, health maintenance organizations, or government-sponsored benefit programs.

3. Prepare and mail explanations of benefits forms and benefit payment checks (if applicable) drawn on one or more demand deposit account(s) which shall be maintained in accordance with Section 4.8 of the Agreement.

4. Conduct the claims reviews and appeals procedures in accordance with Plan provisions. Consistent with PALIC's lack of discretionary authority or control over Plan administration, PALIC shall advise the Customer of uncommon, contentious or complex appeals of denied claims and the Customer shall make all final benefit determinations in such cases.

5. PALIC shall issue payment to Medicare from Customer's claim payment fund pursuant to a valid written demand for reimbursement of any Medicare overpayment(s) of medical expenses which are otherwise considered covered services under the Customer's Plan.

PALIC Administrative Services Agreement

Client Name Sample

C. Report Enrollee and dependent Social Security Numbers (SSNs) and/or Health Insurance Claim Numbers (HICNs), as applicable, to the Centers for Medicare and Medicaid (CMS) for purposes of complying with Medicare's Section 111 Reporting requirements pursuant to the American Reinvestment and Recovery Act of 2009.

D. Assist with the design and printing of standard claim forms, ID cards, and other supplies designed specifically for the Plan. Upon installation of the Plan, PALIC shall be responsible for the cost of providing the initial set of standard Plan ID cards. Customer shall be responsible for the printing costs of new or replacement ID cards.

E. Provide all reports included, from time to time, in PALIC's standard reporting package.

F. Provide the Customer with any data maintained by PALIC that is required by the Plan in the preparation of required reports and filings.

G. Correspond with enrollees and their representatives regarding possible third party liability for expenses paid by the Plan on an enrollee's behalf, and request repayment of those expenses in accordance with any subrogation provisions of the Plan. PALIC shall have no responsibility or liability for the refusal of Enrollees or their representatives to reimburse the Plan for such expenses. PALIC shall have no obligation to take any legal action to enforce the Plan's subrogation rights.

H. Prepare summary plan description(s) from information provided by Customer in accordance with Article IV. All such drafts, including amendments, are prepared as a convenience to the Customer; however, the Customer is responsible for the accuracy thereof; thus the Customer shall communicate its approval or lack therefor for any plan documents drafted by PALIC. PALIC shall not be liable for the printing costs of the plan documents.

PALIC Administrative Services Agreement

Client Name Sample

ANCILLARY SERVICES

A. Provider Network Services

A provider network is required under the Plan. Plan Participants will be eligible to access a provider network established by **Select** or a successor vendor (“Network Vendor”), and the Plan and the Participants shall receive network pricing for all services rendered “in-network.” Customer must elect a Network Option.

B. Pharmacy Benefit Management Services

Pharmacy Benefit Services are provided with respect to covered prescription drugs that are provided as a preventive care benefit.

C. Claims Appeal Review Services

Under the Patient Protection and Affordable Care Act, a group health plan must allow for external appeals of all “adverse benefit determinations.” Unless otherwise directed by Customer in writing, PALIC will refer, on the Plan’s behalf, all matters subject to an external appeal requirement, to an accredited Independent Review Organization (“IRO”) for processing. The charges imposed by the IRO for its services will be charged to the Plan as an additional plan expense.

Optional Services

COBRA Administration Services (if applicable)

If selected by Client, COBRA administration shall be provided by Ceridian Benefits Services, Inc., or a successor vendor (the COBRA Vendor). COBRA Services include initial notification of COBRA rights to each covered employee, mailing of Qualifying Event Letter (initial event and second event if applicable, upon receipt by COBRA Vendor of COBRA Initial Notification Form from Customer), processing of COBRA elections from Qualified Beneficiaries by Web, IVR and paper), billing and collection of COBRA charges from Qualified Beneficiaries, notices of termination to Customer and Qualified Beneficiary for non-payment of COBRA contributions, remission of COBRA contributions to Customer, periodic reports regarding election notices, participation and payment status, all subject to procedural requirements imposed by COBRA Vendor.

PALIC Administrative Services Agreement

Client Name **Sample**

**Exhibit “B”
Fees and Charges**

Customer shall pay to PALIC the sum of charges for: (i) Claims Administration Services Provided by PALIC, (ii) PPO Network access, and (iii) Pharmacy Benefit Management.; Additionally, Customer shall pay on a pass through basis, as a plan expense, any charges incurred by PALIC with respect to the Plan for Claims Appeal Review Services. After this Agreement has been in-force for 6 months, and on 30 days advance notice to Customer, any increase in the charges to PALIC by a Vendor will be passed onto the plan as an additional charge. In addition to the aforementioned charges, Customer shall pay to PALIC a separate fee for any Optional Services.

REQUIRED SERVICES

1. Administrative Claims Processing Services

Claims Administrative Services Provided by PALIC	\$	-	PEPM

2. Ancillary Services

Provider Network Services

<u>Select</u>	\$	-	PEPM*

3. Pharmacy Benefit Management (Preventive Rx)

RxE DO

Electronic Claims Processing

Per Paid Claim \$ 2.50

Per Denied Claim \$ 0.35

Per Reversed Claim \$ 0.35

Paper Claims Processing \$1.00 plus electronic claims fee

Adjustments to prior processed claims - customer ordered \$1.00 per

Per Check Disbursement \$1.25 (for paper claims only)

Standard electronic reports provided at no charge. Custom and non-electronic reports requested by Client from PBM will be charged at cost.

Any other charges imposed by the pharmacy benefit manager as a markup above average wholesale price and/or as dispensing fees and/or as any other covered service will be regarded as Claims Costs and paid from the Customer’s Claims Account.

Claims Appeal Services	Per rate charged by IRO, per case appealed externally
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PALIC Administrative Services Agreement

Client Name Sample

4. Federal Taxes and Fees

Other PPACA Assessments at Cost

5. Non-PALIC Services

1. Consulting services, as managed by:		\$	-	PEPM
		\$	-	PEPM
		\$	-	PEPM

*PEPM represents a charge based only on the primary insured, the employee

** PMPM represents a charge based on each individual covered under the plan, whether the employee, a spouse, a child or other dependent

Optional Services

COBRA Administration (if applicable) _____ **PEPM**

PALIC Administrative Services Agreement

Client Name Sample

**HIPAA PRIVACY COMPLIANCE AGREEMENT
IN COMPLIANCE WITH PRIVACY AND SECURITY RULES
EXHIBIT C**

THIS AGREEMENT by and among Sample, (hereinafter known as "Covered Entity") and Pan-American Life Insurance Company, a Corporation organized under the laws of the State of Louisiana (hereinafter known as "PALIC" (hereinafter known as "Business Associate") located at 601 Poydras Street, New Orleans, LA 70130, including all office locations and other business locations at which Business Associate data may be used or maintained. Covered Entity and Business Associate may be referred to herein individually as "Party" or collectively as "Parties".

WHEREAS, the nature of the underlying contractual relationship between Covered Entity and Business Associate may involve the exchange of Protected Health Information ("PHI") or Electronic Protected Health Information ("ePHI") as those terms are defined under the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") as amended by Health Information Technology for Economic and Clinical Health Act of 2009 ("HITECH Act") provisions of the America Recovery and Reinvestment Act of 2009, including all pertinent regulations issued by the Department of Health and Human Services ("HHS"); and other relevant laws, including subsequently adopted provisions applicable to use and disclosure of confidential information, and applicable agency guidance (collectively, "HIPAA").

WHEREAS, Business Associate may receive such information from Covered Entity, or create and receive such information on behalf of Covered Entity, in order to perform certain of the services or provide certain of the goods, or both; and

WHEREAS, Covered Entity wishes to ensure that Business Associate will appropriately safeguard Individually Identifiable Health Information;

NOW THEREFORE, the premises having been considered and with acknowledgment of the mutual promises and of other good and valuable consideration herein contained, the Parties, intending to be legally bound, hereby agree as follows:

A. Definitions

Catch-all definition: The parties agree that the following terms, when used in this Agreement, shall have the same meaning as those terms in the HIPAA Rules: Breach, Data Aggregation, Designated Record Set, Disclosure, Health Care Operations, Individual, Minimum Necessary, Notice of Privacy Practices, Protected Health Information, Required By Law, Secretary, Security Incident, Subcontractor, Unsecured Protected Health Information, and Us, provided that the specific terms set forth below shall be deemed to be modified to reflect any changes made to such terms from time to time as defined in the HIPAA Privacy Regulations, the HIPAA Security Regulations, and the HITECH Standards.

Specific definitions:

1. **Breach.** "Breach" has the same meaning as this term has in §13400 of Health Information Technology for Economic and Clinical Health Act of 2009 ("HITECH Act").
2. **Business Associate.** "Business Associate" shall generally have the same meaning as given in 45 CFR §160.103, and in reference to the party to this agreement, shall mean Pan-American Life Insurance Company.
3. **Covered Entity.** "Covered Entity" shall generally have the same meaning as given in 45 CFR §160.103, and in reference to the party to this agreement, shall mean

Sample

PALIC Administrative Services Agreement

Client Name Sample

4. **HIPAA Rules.** "HIPAA Rules" shall mean the Privacy, Security, Breach Notification, and Enforcement Rules at 45 CFR Part 169 and Part 164. Division B of the American Recovery and Reinvestment Act of 2009 (ARRA), Pub. L. No. 111-5 (Feb. 17, 2009).
5. **HITECH ACT.** "HITECH Act" shall mean the Health Information Technology for Economic and Clinical Health (HITECH) Act, as those provisions set forth in Title XIII of Public Law 111-5 as enacted on Feb. 17, 2009.
6. **Designated Record Set.** "Designated Record Set" shall have the same meaning as given in 45 CFR §164.501.
7. **Individual.** "Individual" shall have the same meaning as given in 45 CFR §164.193 and shall include a person who qualifies as a personal representative in accordance with 45 CFR § 162.502(g).
8. **Privacy Rule.** "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information promulgated under HIPAA and/or the HITECH Act that is codified at 45 CFR Part 160 and Part 164, Subparts A and E.
9. **Protected Health Information.** "Protected Health Information" ("PHI") and "Electronic Protected Health Information" ("ePHI") shall have the same meaning as given in 45 CFR §160.103 (as amended by the HITECH Act), limited to the information created or received by Business Associate from or on behalf of Covered Entity
10. **Required By Law.** "Required By Law" shall have the same meaning as given in 45 CFR §164.103.
11. **Secretary.** "Secretary" shall mean the Secretary of the U.S. Department of Health and Human Services or his designate.
12. **Security Standards.** "Security Standards" means the security standards for protection of PHI promulgated by the Secretary in Title 45 C.F.R.
13. **Unsecured Protected Health Information.** "Unsecured Protected Health Information" shall mean Protected Health Information (PHI) that is not secured through the use of a technology or methodology specified by the Secretary in regulations or as otherwise defined in the §13402(h) of the HITECH Act.
14. Any prospective amendment to the laws referenced in this definitional section prospectively amends this agreement to incorporate said changes by Congressional act or by regulation of the Secretary of HHS.

B. Obligations and Activities of Business Associate.

Business Associate agrees to:

1. Not use or disclose PHI or ePHI other than as permitted or required by the Agreement or as required by law;
2. Employ administrative, physical, and technical safeguards, and comply with Subpart C of 45 CFR Part 164 with respect to ePHI, to prevent use or disclosure of PHI other than as provided for by this Agreement;
3. Mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of PHI or ePHI held by Business Associate in violation of the requirements of this Agreement.

PALIC Administrative Services Agreement

Client Name Sample

4. Report to Covered Entity any Breach or Unsecured PHI without unreasonable delay and in no such case later than ten (10) calendar days after discovery of any use or disclosure of the PHI not provided for or allowed by this Agreement of which it becomes aware. Such notice shall include the identification of each individual whose Unsecured PHI as required at 45 CFR 164.410, that has been or is reasonably believe by Business Associate to have been accessed, acquired, used or disclosed in connection with such Breach. In addition, Business Associate shall provide any additional information reasonable requested by Covered Entity for purposes of investigating and responding to the Breach. Business Associates shall comply with all regulations issued by HHS and applicable state agencies regarding breach notification to Covered Entity.
5. Take prompt steps to limit or avoid the recurrence of any Security Breach, and take any other action pertaining to such unauthorized access or disclosure required by applicable federal and state laws and regulations. Business Associate must comply with this provision regardless of any actions taken by Covered Entity. Business Associate further agrees to mitigate, to the extent practicable, any harmful effect that becomes known to Business Associate as a result of a Breach or use or disclosure or PHI by Business associate in violation of the requirement of this Agreement.
6. In accordance with 45 CFR 164.502 (e)(1)(ii) and 164.308(b)(2), if applicable, ensure that any agents and subcontractors that create, receive, maintain, or transmit PHI and/or ePHI on behalf of the business associate, agree to the same restrictions, conditions, and requirements that apply to the Business Associate pursuant to this agreement with respect to such information. With respect to obligations of Section B(4) and B(5) hereof, Business Associate represents that any agent or subcontractor shall be obligated to notify business associate of any Breach within ten (10) calendar days in the same manner and according to the same terms and provided herein. In no event shall subcontractor, without covered entity prior written approval, provide PHI received from, or created or received by business Associate on behalf of Covered Entity, to any employee or agent, including a subcontractor, if such employee, agent or subcontractor receives, processes or otherwise has access to PHI outside of the United States.
7. Provide Covered Entity (or a designate of Covered Entity) access to PHI in a designated record set in prompt commercially reasonable manner in order to satisfy covered entity's obligations under 45 CFR §164.524.
8. Make any amendment(s) to PHI in a designated record set as directed or agreed to by the Covered Entity pursuant to 45 CFR §164.526, or take other measures as necessary to satisfy covered entity's obligations under 45 CFR §164.526.
9. Make internal practices, books, and records, including policies and procedures and PHI, relating to the use and disclosure of PHI received from, or created or received by Business Associate on behalf of, Covered Entity available to the Covered Entity, or to the Secretary (including official representatives of the Secretary), in a prompt commercially reasonable manner for purposes of determining Covered Entity's compliance with the HIPAA Rules.
10. Upon request with reasonable notice, provide Covered Entity access to its premises for a review and demonstration of its internal practices and procedures for safeguarding PHI.
11. Document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 CFR §164.528.

12. Provide to Covered Entity or an Individual, in a prompt commercially reasonable manner, information collected in accordance with this Agreement, to permit Covered Entity to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 CFR §164.528.

C. Permitted Uses and Disclosures by Business Associate.

Except as otherwise limited in this Agreement, Business Associate may use or disclose PHI, as follows:

1. On behalf of, Covered Entity provided that such use or disclosure would not violate the Privacy Rule if done by Covered Entity
2. Except as otherwise limited in this Agreement, Business Associate may disclose PHI for the proper management and administration of the Business Associate, provided that disclosures are required by law, or Business Associate obtains reasonable assurances from the person to whom the information is disclosed that it will remain confidential and used or further disclosed only as required by law or for the purpose for which it was disclosed to the person, and the person notifies the Business Associate of any instances of which it is aware in which the confidentiality of the information has been breached.
3. Business Associate will, in its performance of the functions, activities, services and operations specified above, make reasonable efforts to use, to disclose and to request only the minimum amount of Covered Entity's PHI reasonably necessary to accomplish the intended purpose of the use, disclosure or request, except that Business Associate will not be obligated to comply with this minimum necessary limitation if neither Business Associate nor Covered Entity is required to limit its use, disclosure or request to the minimum necessary. Business Associate and Covered Entity acknowledge that the phrase "minimum necessary" shall be interpreted in accordance with the Health Information Technology for Economic and Clinical Health Act ("HITECH") and government guidance on the definition.

D. Obligations of Covered Entity

1. Covered Entity shall notify Business Associate of any limitation(s) in Covered Entity's notice of privacy practices that are produced in accordance with 45 CFR §164.520 (as well as any changes to that notice), to the extent that such limitation(s) may affect Business Associate's use or disclosure of PHI.
2. Covered Entity shall notify Business Associate of any changes in, or revocation of, permission by Individual to use or disclose PHI, to the extent that such changes may affect Business Associate's use or disclosure of PHI.
3. Covered Entity shall notify Business Associate of any restriction to the use or disclosure of PHI that Covered Entity has agreed to or is required to abide by under 45 CFR §164.522, to the extent that such restriction may affect Business Associate's use or disclosure of PHI.
4. Covered Entity shall not request Business Associate to use or disclose PHI in any manner that would not be permissible under the Privacy Rule if done by Covered Entity. Nothing in this paragraph shall restrict the ability of Business Associate to use or disclose PHI as set forth in paragraph C.2. herein.

PALIC Administrative Services Agreement

Client Name Sample

E. Permissible Requests by Covered Entity.

Covered Entity shall not request Business Associate to use or disclose PHI in any manner that would not be permissible under Subpart E of 45 CFR Part 164 if done by Covered Entity, except that Business Associate may use or disclose PHI for purposes of data of data aggregation.

F. Breaches and Security Incidents

Privacy or Security Breach. Business Associate will report to Covered Entity any use or disclosure of Covered Entity’s PHI not permitted by this Agreement along with any Breach of Covered Entity’s Unsecure PHI. Business Associate will treat the Breach as being discovered in accordance with 45 CFR § 164.410. Business Associate will make the report to Covered Entity’s Privacy Official or other corporate contact within ten (10) calendar days after Business Associate learns of such non-permitted use or disclosure. If a delay is requested by a law-enforcement official in accordance with 45 CFR § 165.412, Business Associate may delay notifying to Covered Entity for the applicable time period. Business Associate’s report will at least:

- (a) Identify the nature of the breach or other non-permitted use or disclosure, which will include a brief description of what happened, including the date of any Breach and the date of the discovery of any Breach;
- (b) Identify Covered Entity’s PHI that was subject to the non-permitted use or disclosure or Breach (such as whether full name, social security number, date of birth, home address, account number or other information were involved) on an individual basis;
- (c) Identify who made the non-permitted use or disclosure and who received the non-permitted disclosure;
- (d) Identify what corrective or investigational action Business Associate took or will take to prevent further non-permitted uses or disclosures, to mitigate harmful effects and to protect against any further Breaches;
- (e) Identify what steps the individuals who were subject to a Breach should take to protect themselves;
- (f) Provide such other information, including a written report, as Covered Entity may reasonably request.

Security Incidents. Business Associate will report to Covered Entity any successful (A) unauthorized access, use, disclosure, modification, or destruction of Covered Entity’s ePHI or (B) interference with Business Associate’s system operations in Business Associate’s information systems, of which Business Associate becomes aware. Business Associate will make this report monthly, except that if any such Security Incident resulted in a disclosure not permitted by this Business Associate Contract or Breach of Covered Entity’s Unsecured PHI, Business Associate will make the report in accordance with the provisions set forth in the paragraph above.

Remedies in Event of Breach. Business Associate hereby recognizes that irreparable harm will result to Covered Entity, and to the business of Covered Entity, in the event of breach by Business Associate of any of the covenants and assurances contained in Paragraphs B or C of this agreement. As such, in the event of breach of any of the covenants and assurances contained in paragraphs B or C above, Covered Entity shall be entitled to enjoin and restrain Business Associate from any continued violation of Paragraphs B or C. Furthermore, in the event of breach of Paragraphs B or C by Business Associate, Covered entity will be entitled to reimbursement and indemnification from Business Associate for the Covered Entity's reasonable attorney's fees and expenses and costs that were reasonable incurred as a proximate result of the Business Associate's breach. The remedies contained in this paragraph F shall be in addition to (and not supersede) any action for damages and/or any other remedy Covered Entity may have for breach of any part of this Agreement.

G. Term of Agreement and Termination.

1. **Term of Agreement.** The Term of this Agreement shall be effective as of the date given at the top of Page 1 herein, and shall terminate for cause as authorized in paragraph 2 of this Section, whichever is sooner or when all of the PHI provided by Covered Entity to Business Associate, or created or received by Business Associate on behalf of Covered Entity, is destroyed or returned to Covered Entity, or, if it is infeasible to return or destroy PHI, protections are extended to such information, in accordance with the termination provisions in this Section.
2. **Termination for Cause.** Business associate authorizes termination of this Agreement by Covered Entity, if Covered Entity determines Business Associate has violated a material term of the Agreement. Upon Covered Entity's knowledge of a material breach by Business Associate, Covered Entity shall either:
 - a. Provide an opportunity for Business Associate to cure the breach or end the violation and terminate this Agreement if Business Associate does not cure the breach or end the violation within the time specified by Covered Entity;
 - b. Immediately terminate this Agreement if Business Associate has breached a material term of this Agreement and cure is not possible; or
 - c. If neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary.
3. **Effect of Termination.**
 - a. Except as provided in paragraph G3(b) of this section, upon termination of this Agreement, for any reason, Business Associate shall return to Covered Entity or destroy all PHI received from Covered Entity, or created, maintained, or received by Business Associate on behalf of Covered Entity, that the Business Associate still maintains in any form. This provision shall apply to PHI that is in the possession of subcontractors or agents of Business Associate. Business Associate shall retain no copies of the PHI.
 - b. In the event that Business Associate determines that returning or destroying the PHI is infeasible, Business Associate shall provide to Covered Entity notification of the conditions that make return or destruction infeasible. Upon notification to Covered Entity that return or destruction of PHI is infeasible, Business Associate shall extend the protections of this Agreement to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such PHI

- c. Should Business Associate make a disclosure of PHI in violation of this Agreement, covered entity shall have the right to immediately terminate any contract, other than this Agreement, then in force between the Parties.
4. Survival. The obligations of Business Associate under this Section shall survive the termination of this Agreement.

H. Change In applicable Laws or Regulations. In the event the laws or regulations of the United States or the State in which the majority of services are rendered are modified or amended in any material way with respect to this Agreement, this Agreement shall not be terminated but rather, to the extent feasible, shall be promptly amended by the parties to operating in compliance with the existing law. The parties acknowledge that their responsibilities under this Agreement may be affected and governed by the requirements of HIPAA and/or the HITECH Act, to the extent that regulations implementing HIPAA and/or the HITECH Act (the "Regulations") become effective during the Term of this Agreement or any renewal thereof. Both parties agree that, upon the effective date of any such obligations applicable to each of them under such Regulations pursuant to their responsibilities hereunder. To the extent any amendments to this Agreement shall be necessary to effectuate or clarify the obligations of the parties pursuant to such Regulations, the parties hereby agree to negotiate such amendments in good faith, subject to the right of either party to terminate this Agreement in accordance with its terms.

I. Miscellaneous Terms.

1. State Law. If state law applicable to the relationship between Business Associate and Covered Entity contains additional or more stringent requirements than federal law for Business Associates regarding any aspect of PHI privacy, then Business Associate agrees to comply with the higher standard contained in applicable state law.
2. Consideration. Business Associate recognizes that the promises it has made in this Agreement shall, henceforth, be detrimentally relied upon by Covered Entity in choosing to continue or commence a business relationship with Business Associate.
3. Survival. The respective rights and obligations of Business Associate under Section F (2) of this Agreement shall survive the termination of this Agreement.
4. Modification. This Agreement may only be modified through a writing signed by the Parties and, thus, no oral modification hereof shall be permitted. The Parties agree to take such action as is necessary to amend this Agreement from time to time as is necessary for Covered Entity to comply with the requirements of the HIPAA Rules, the Health Insurance Portability and Accountability Act of 1996, and any other applicable law.
5. Interpretation. Should there be any conflict between the language of this contract and any other contract entered into between the Parties (either previous or subsequent to the date of this Agreement), the language and provisions of this Agreement shall control and prevail unless in a subsequent written agreement the Parties specifically refer to this agreement by its title and date, and, also, specifically state that the provisions of the later written agreement shall control over this Agreement. Any ambiguity in this Agreement shall be resolved to permit Covered Entity to comply with the HIPAA Rules or the Security Rule and/or HITECH Act.
6. Regulatory References. A reference in this Agreement to a section in the HIPAA Rules means the section as in effect or as amended.

7. Notice to Covered Entity. Any notice required under this Agreement to be given Covered Entity shall be made in writing to:

8. Notice to Business Associate. Any notice required under this Agreement to be given Business Associate shall be made in writing to:

Jose S. Suquet
President
601 Poydras St., 28th Floor
New Orleans, LA 70130

J. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one original Agreement. Facsimile signatures shall be accepted and enforceable in lieu of original signatures.

IN WITNESS WHEREOF and acknowledging acceptance and agreement of the foregoing, the Parties affix their signatures hereto.

COVERED ENTITY

BUSINESS ASSOCIATE

Sample

By: _____
Title: _____
Dated _____, 20____

Pan-American Life Insurance Company

By: _____
Title: _____
Dated _____, 20____