

November 20, 2013

To: Bollinger Group contracted agents and agencies
From: Marlin Bollinger
Re: HIPAA compliance

On September 23, 2013, an update to the HIPAA laws went into effect that potentially impacts each of our businesses. Every insurance company has responded differently to the new regulations, resulting in a number of questions about the changes and what actions, if any, are required at the BGA, Agency, and Agent level.

An important aspect of the changes is the clarification of the role of "Business Associate" as defined by the recent modification. The modification provides not only the definition of a "Business Associate", but also identifies these smaller, related entities as a significant source of breaches of HIPAA rules.

While the Bollinger Group encourages all agents and agencies to consult their own legal counsel regarding the specific application of these new rules to your respective businesses, we are sending all producing entities our "Business Associate Agreement", which includes language regarding compliance with Health Insurance Portability and Accountability Act (HIPAA) – Business Associate Provisions.

Please review, sign as producer and/or producer's affiliated agency, and return to us via email. It will be necessary to have your acknowledged agreement on file to submit future business.

Thank you for making this necessary procedure a priority.

A handwritten signature in black ink, appearing to read "Marlin Bollinger", with a long horizontal flourish extending to the right.

Marlin Bollinger

BUSINESS ASSOCIATE AGREEMENT

This Business Associate Agreement ("Agreement") effective on _____, 2014 ("Effective Date") is entered into by and between _____ (the "Business Associate") and The Bollinger Group, Inc. (the "Company").

RECITALS

A. The purpose of this Agreement is to comply with the Standards for Privacy of Individually Identifiable Health Information published on August 14, 2002 by the Secretary of the U.S. Department of Health and Human Services ("HHS") to amend 45 C.F.R. Part 160 and Part 164 (the "Privacy Rules") under the Health Insurance Portability and Accountability Act of 1996 ("HIPAA").

B. This Agreement sets forth the terms and conditions pursuant to which Protected Health Information delivered to or received by, the Business Associate from or on behalf of the Company will be handled.

AGREEMENT

The parties agree as follows:

1. Definitions. As used hereunder, the terms "Business Associate", Protected Health Information", "use" and "disclosure" shall have the meanings ascribed to them in 45 CFR Section 164.101 and 164.501.

2. Services. It is anticipated that the Business Associate will provide services for the Company pursuant to the Service Agreement that involve the destruction of documents containing Protected Health Information (the "Services"). The Business Associate, its employees, subcontractors, and agents, may possess and handle such Protected Health Information only as necessary to perform the Services under the Service Agreement. The Business Associate expressly agrees that any and all other uses or disclosures of the Protected Health Information is prohibited pursuant to applicable federal and state laws and regulations, including without limitation, the Privacy Rules.

3. Responsibilities of Business Associate. With regard to its handling of Protected Health Information, the Business Associate hereby agrees to do the following:

3.1 Possess, for the sole purpose of destroying by shredding, the Protected Health Information only as required by the Service Agreement, this Agreement or as otherwise required by law;

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3.2 Immediately report to the Company privacy officer, in writing, any other use and/or disclosure of the Protected Health Information that is not permitted or

required by this Agreement of which Business Associate becomes aware upon the Business Associate's discovery of such unauthorized use and/or disclosure;

3.3 Use appropriate safeguards to maintain the security of the Protected Health Information and to prevent unauthorized use and/or disclosure of such Protected Health Information;

3.4 Require all of its employees, representatives, subcontractors or agents that receive or have access to Protected Health Information under this Agreement to agree in writing to adhere to the same restrictions and conditions on the use and/or disclosure of Protected Health Information that apply herein, including the obligation to return or destroy the Protected Health Information as hereinafter provided.

3.5 Make available, to the Secretary of HHS, all records, books, agreements, policies and procedures relating to the document destruction services provided by Business Associate in the services provided to The Company involving the handling and destruction of Protected Health Information for purposes of determining the Company's compliance with the Privacy Rules, subject to attorney-client and other applicable legal privileges.

3.6 Make available, during normal business hours, at Business Associate's offices all records, books, agreements, policies and procedures relating to the use, destruction, and/or disclosure of Protected Health Information that is subject to this Agreement, to the Company within thirty (30) days of The Company's written request, for the purpose of enabling the Company to verify the Business Associate's compliance with the terms of this Agreement;

3.7 Within thirty (30) days of receiving a written request from The Company, provide to the Company such information as is requested by The Company to permit the Company to respond to any request for accounting for any disclosures of an individual's Protected Health Information in accordance with 45 C.F.R. §164.526 and §164.528;

3.8 Return to the Company or immediately destroy, as requested by the Company, any Protected Health Information provided to Business Associate, that is in Business Associate's possession on the date of such request and retain no copies; and

3.9 Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of an unauthorized use or disclosure of Protected Health Information by Business Associate in violation of the requirements of this Agreement or the Service Agreement.

4. Permitted Uses and Disclosures by the Business Associate. Except as otherwise limited by this Agreement, the Business Associate may use documents containing Protected Health Information for the sole purpose of providing health care services to the patient.

5. Specific Use and Disclosure Provisions. Except as otherwise limited by this Agreement, the Business Associate may use the information (i) to provide health care service to the patient, and, (ii) no employee, officer, director, subcontractor, or agent

of the Business Associate is authorized to examine, read, possess, or disclose to any third party any document delivered to the Business Associate.

6. Mutual Representation and Warranty. Each party represents and warrants to the other party that all of its employees, agents, representatives and members of its work force, whose services may be used to fulfill obligations under this Agreement, are or shall be appropriately informed of the terms of this Agreement and are under legal obligation to fully comply with all provisions of this Agreement.

7. Term and Termination.

7.1 Term. This Agreement shall become effective on the Effective Date, and shall continue in effect until all the obligations of the parties have been met, unless terminated as provided herein or by mutual agreement of the parties.

7.2 Termination. As provided for under 45 C.F.R. §164.504(e)(2)(iii), the Company may immediately terminate this Agreement and any related agreement if it determines that the Business Associate has breached a material provision of this Agreement. Alternatively, the Company may choose to: (i) provide the Business Associate with ten (10) days written notice of the existence of an alleged material breach; and (ii) afford the Business Associate an opportunity to cure said alleged material breach upon mutually agreeable terms. Failure to cure in the manner set forth in this paragraph is grounds for the immediate termination of the Agreement. If termination is not feasible, the Company shall report the breach to the Secretary of HHS. This Agreement will automatically terminate without any further action of the parties upon the termination or expiration of the Service Agreement between the parties. So long as any agreement by or between the Company and the Business Associate shall exist, the Business Associate shall have no right to terminate this Agreement.

7.3 Effect of Termination. Upon termination of this Agreement for any reason, Business Associate shall return or destroy all Protected Health Information received from The Company. This provision shall apply to Protected Health Information that is in the possession of subcontractors or agents of Business Associate. Business Associate shall retain no copies of the Protected Health Information.

8. Miscellaneous.

8.1 Survival. The respective rights and obligations of Business Associate and the Company under the provisions of this Agreement shall survive the termination of this Agreement indefinitely.

8.2 Amendment. This Agreement may not be modified or amended, except in writing as agreed to by each party. The Parties agree to take such action as is necessary to amend this Agreement from time to time as is necessary for the Company to comply with the requirements of the Privacy Rule and the Health Insurance Portability and Accountability Act of 1996, Pub. L. No. 104-191.

8.3 No Third Party Beneficiaries. Nothing express or implied in this Agreement is intended to confer, nor anything herein shall confer, upon any person other than the parties hereto any rights, remedies, obligations, or liabilities whatsoever.

8.4 Indemnification. The Business Associate hereby covenants and agrees to indemnify and hold harmless the Company, its agents and representatives from and against any and all losses, costs, expenses, liabilities, claims, demands, judgments and its settlements of every nature that are actually incurred by the Company, including without limitation reasonable attorney's fees, which arise out of any use or disclosure of Protected Health Information not specifically permitted by this Agreement.

8.5 Notices. All notices or communications required or permitted pursuant to the terms of this Agreement will be in writing and will be delivered in person or by means of certified or registered mail, postage prepaid, return receipt requested, to such party at its last known address, or such other person or address as such party may specify by similar notice to the other party hereto or by telephone facsimile with a hard copy sent by mail on the next business day. All such notices will be deemed given upon delivery if delivered by hand, on the third business day after deposit with the U.S. Postal Service, and on the first business day after sending it by facsimile.

8.6 Interpretation/Regulatory References. Any ambiguity in this Agreement shall be resolved to permit the Company to comply with the Privacy Rule. Any reference made in this Agreement to any provision of law or regulation shall be a reference to such section as in effect and as same may be amended from time to time.

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed as of the date for set forth above.

Business Associate:

Agent

Signature: _____

The Company



Signature: _____
Marlin Bollinger, President