

## PREMIUM SERVICES AND ADMINISTRATION AGREEMENT

WHEREAS, \_\_\_\_\_ (hereafter referred to Collector) has premium billing, collection and/or reconciliation capabilities and is willing to provide these services to Colonial Life & Accident Insurance Company (hereafter referred to Colonial); and

WHEREAS, Colonial and \_\_\_\_\_ (hereafter referred to as Client Account) desire to appoint Collector to perform certain defined premium collection functions in connection with insurance policies which have been underwritten by Colonial; now

THEREFORE, for and in consideration of the mutual covenants and agreements set forth and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Collector, Colonial and Client Account do hereby agree as follows:

### A. RELATIONSHIP

It is understood and agreed that the Collector including each agent, servant, and employee of the Collector, is as to Colonial, an independent contractor who (a) controls both the number of hours worked and the scheduling of those hours; (b) provides his or her own place of business; (c) has a substantial economic investment in the assets and facilities used to perform the services hereunder; and (d) shall not be treated as an employee of Colonial for any purpose including, but not limited to, employment taxes, income tax withholding, and compensation and benefits. The Collector is alone responsible for payment of federal and state self-employment and income taxes, as well as any compensation and employee benefits to which Collector's agents, servants and employees may be entitled. Colonial shall have no right to control the Collector in the performance of said services except in the use of such forms and procedures as are required by state or federal laws or regulations, or as may be necessary for the orderly conduct of Colonial's business. No act or omission of the Collector in performing the administrative functions specified herein, including by way of illustration and not of limitation, collection and remittance of premiums, shall be chargeable to Colonial. The Collector shall be the agent of the policyholder and shall not be the agent of Colonial.

### B. ADMINISTRATIVE FUNCTIONS

Collector represents and warrants that it presently has, and will use commercially reasonable efforts to retain employees having the experience, expertise, capacity and skills to perform the services under this Agreement. In accordance with such procedures as may be prescribed from time to time by Colonial, the Collector shall do all acts necessary to properly collect and remit premium on Colonial insurance policies on behalf of policyholders, and shall on their behalf:

1. Collect the premium and any associated administrative fee from the Client Account, reconcile such deductions against a list bill from Colonial, and remit the reconciled premium along with a "marked-up" list bill or other agreed upon detail to Colonial.
2. Maintain at its principal office for the duration of this Agreement and for five years thereafter adequate books and records of all premium collection and remittance transactions among the Collector, Client Account, bank intermediary (if any) and Colonial. Colonial shall have access to said books and records for purposes of examining, auditing and copying.
3. Collect and hold in a fiduciary capacity all premiums and other insurance charges received from policyholders or bank intermediary, if any, for payment to Colonial. Premiums shall not include any administrative fees charged directly to the policyholder by the Collector. Collector's sole compensation under this agreement is an administrative fee which Collector intends to add to the policyholder's regular debit amount. Collector shall prepare all necessary accounting associated with this administrative fee and shall subtract this fee before remitting premium to Colonial.

4. Remit gross premiums from all policies issued by Colonial and collected by Collector to Colonial no later than 3 business days following receipt in a form agreed to by both parties. Payment of the premium shall be accompanied by complete and accurate records to substantiate the payment in such form and detail as may be prescribed by Colonial.
5. When required by Colonial, to receive premium refunds and remit them to Client Account and to perform such record keeping functions as required by Colonial with respect to such premium refunds.
6. Notify Colonial immediately upon receipt of any communication from any state insurance department or other governmental authority regarding the policies or Collector's transaction of business in connection with the policies.
7. Maintain and furnish to Colonial evidence of an indemnity bond in favor of Colonial executed by a corporate surety in an amount equal to the total amounts of funds handled or an estimate of such funds to be handled in a 90-day period, but not less than \$100,000. Such bond shall provide protection to Colonial against loss by reason of acts of negligence, fraud or dishonesty by the Collector, its agents, servants or employees.
8. Furnish to Colonial annual, unaudited financial statements on request. These statements shall be required yearly by Colonial. (Audited statements shall be provided if requested by Colonial.)
9. Performance under this Agreement shall be consistent with the practices and procedures generally accepted for the collection and administration of insurance premiums and in accordance with all laws, regulations and bulletins pertaining thereto.

#### **C. HOLD-HARMLESS AND INDEMNIFICATION**

Collector shall and hereby agrees to protect, indemnify, defend, save, and hold Colonial, its successors and assigns harmless, against and in respect of any and all liabilities, losses, claims, damages, costs, and expenses, including, but not limited to, reasonable attorney's fees, resulting from or arising out of its acts and the acts of its agents, servants and employees in the performance of Collector's obligations in this agreement. The obligations under this section shall be in addition to, and not limited by, the obligation of Collector to maintain an indemnity bond as set out above.

#### **D. PRIVACY**

To the extent any party to this agreement discloses nonpublic personal information of any individual to any other party, the parties agree that they will not disclose or use the information other than to carry out the purposes for which the information was disclosed. This provision shall survive the termination of this agreement.

#### **E. NO ASSIGNMENT**

No assignment of this Agreement or of any rights or duties hereunder shall be binding upon Colonial without its written consent.

#### **F. TERMINATION**

This Agreement may be terminated by any party by written notice, sent certified mail to the other parties, specifying the date, not less than 30 days following the date of mailing, that termination shall be effective. Not later than the effective date of termination, Collector shall provide to Colonial all records in its possession pertaining to Colonial's policyholders and Collector's transaction of business under this Agreement.

**G. COMPLIANCE**

The Collector represents and warrants that it is in compliance with all laws and regulations with respect to the administrative functions it will perform under this agreement, including but not limited to, any licensing requirements imposed by federal, state or local law in all jurisdictions where such administrative functions will be performed.

**H. LAW**

This Agreement shall be construed, enforced and administered in accordance with the laws of the State of South Carolina.

**In Witness Whereof**, the parties agree that the provisions of this Agreement shall take effect as of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
**(Collector)**

**COLONIAL LIFE & ACCIDENT INSURANCE CO.**

By: \_\_\_\_\_  
Signature Date  
Date

By: \_\_\_\_\_  
Home Office Signature

By: \_\_\_\_\_  
Name & Title

By: \_\_\_\_\_  
Name & Title

\_\_\_\_\_  
**(Client Account)**

By: \_\_\_\_\_  
Signature Date

By: \_\_\_\_\_  
Name & Title

**LICENSING INFORMATION** (Please complete, if applicable or provide copies of licenses.)

DESCRIPTION	STATE	LICENSE NUMBER	EXPIRATION DATE