

DISTRIBUTOR AGREEMENT

This Agreement entered into between Medico[®] Insurance Company, on the one part, and the undersigned Distributor, on the other part.

DEFINITIONS: As used in this Agreement,

- A. "We," "Us," "Our," "Company," and "Medico[®]" mean Medico[®] Insurance Company.
- B. "You," "Your," and "Yours" mean the Distributor, even though Distributor may be a partnership or corporation.
- C. "Solicitor" means an insurance producer who is appointed by Us, but not contracted with Us.

1. **APPOINTMENT:** We appoint You as Our Distributor to procure applications for health and life insurance of Medico[®] if You are licensed to sell these lines of insurance. This appointment is on a non-exclusive basis and We may appoint other distributors in Your state.

AS DIRECTED BY US

2. **YOUR DUTIES:** You agree to accept the following duties and responsibilities:

A. You and Your Solicitors will procure applications for Our insurance. In doing this, You and Your Solicitors will act according to Our rules and instructions.

B. Unless there is something that would disqualify them, We will appoint Your Solicitors. We reserve the right to terminate Your Solicitors. We shall have no liability to any of Your Solicitors for their compensation or otherwise. You agree that Your contracts with each of Your Solicitors for Our insurance will not entitle the Solicitor to a greater dollar amount of compensation, nor for a longer period of time, than You are entitled to from Us on such business. If You violate this agreement, You will, at Our option, lose all commissions which are due You thereafter.

C. You will not permit any of Your Solicitors to solicit for Us until they have been licensed by the state in which they will solicit and evidence of that license is given to Us.

D. You will collect in full the first premium with the application on each policy You or Your Solicitors sell. You will treat these premiums as trust funds for Us. You will remit these funds and applications to Medico[®] in accordance with Our instructions.

E. You will comply with all state and federal laws, orders, rules and regulations.

F. You will be responsible for obtaining and maintaining the necessary licenses and appointments to sell Our products in the states in which You operate, whether resident or nonresident. You will be responsible for all state and city license fees or taxes, applicable appointment and termination fees, and occupation fees or taxes. We will pay state taxes on premiums.

G. You will reimburse Us any commissions You receive on premiums which are returned by Us on declined applications or policies canceled or not accepted by the applicant.

H. You will see that You and each Distributor and/or Solicitor has and maintains or is covered by errors and omissions liability insurance coverage of at least \$1 million per occurrence or such other level (higher or lower) as may be acceptable to Us throughout the term of this Agreement and provide evidence of such insurance to Us upon request.

3. LIABILITY, INDEBTEDNESS & INDEMNITY: You shall be jointly and severally liable, with each Distributor and/or Solicitor, to Company for the payment of all (i) monies due from You or Your Distributors and/or Solicitors, (ii) debit balances on the account of You or Your Distributors and/or Solicitors, (iii) debit balances resulting from loans to You or Your Distributors and/or Solicitors, and (iv) all obligations evidenced by documents related hereto. Company's books shall be prima facie evidence of such debit balances or loans due.

Any indebtedness incurred by You or Your Distributors and/or Solicitors to Company shall be payable immediately upon receipt of a written notice from Company. Company may, at any time in its sole discretion, offset against any remuneration due or to become due You, any past, present or future debt or debts due from You or Your Distributors and/or Solicitors. Such indebtedness of You or Your Distributors and/or Solicitors shall be secured by a first lien in favor of Company on any and all compensation due You and shall be binding upon You and Your assigns and successors. Upon the termination of this Agreement, any and all money belonging to Company in the possession of You or Your Distributors and/or Solicitors shall immediately become due and payable and shall be paid over to Company; but Company may, in its sole discretion and without waiving its rights, deduct such indebtedness from any payment provided herein until repaid.

You agree to indemnify Company and its affiliates, shareholders, directors, officers and employees and to hold Company, its affiliates, shareholders, directors, officers and employees harmless from any and all expenses, liabilities, costs, cause or causes of action and damages, including attorneys' fees and costs of litigation, resulting from or growing out of any breach of this Agreement or any related documents or any unauthorized, fraudulent, negligent or wrongful act, omission, statement or representation by You or Your employees or independent contractors (excluding Distributors who are directly contracted with the Company). Company agrees to indemnify You and to hold You harmless from any and all expenses, liabilities, costs, cause or causes of action and damages, including attorneys' fees and costs of litigation, resulting from or growing out of any negligent or wrongful act, omission, statement or representation by Company or Company's employees. This Section 3 shall survive the termination of this Agreement for any reason.

4. COMPENSATION: You will be paid the commissions stated in the Commission Schedule, which is attached hereto, as complete compensation for all that You and Your Solicitors do for Us. The attached Commission Schedule may be revised from time to time to reflect policies presently being marketed by Medico®. Where a policy is delivered or issued for delivery in any state listed under the heading "State Variation," the commission for that particular state will apply.

5. COMMISSIONS ON SUBSTITUTED OR REINSTATED POLICIES: When You substitute one policy for another, Your commission will be governed by Our rules and regulations regardless of what this Agreement says. When We reinstate or reissue a lapsed policy without Your efforts and this occurs during the first six months after the policy lapses, We will pay You commissions on the premiums received for this policy after reinstatement or reissue at the renewal commission rate for that policy. When You reinstate or rewrite a policy during the first six months after the policy lapses, We will pay You a commission on the premium You collect at time of reinstatement or rewrite equal to one-half the regular first-year commission rate for that policy. We will pay You commissions on subsequent premiums for the reinstated or rewritten policy at the renewal rate in effect at that time for the policy. During the 60-day period following the due date of a policy, it must be reinstated and You cannot rewrite it. During the period which starts 60 days after a policy's last premium due date and ends four months later, You may either rewrite the policy or reinstate. After a policy has been lapsed for a period of six months, You must rewrite the policy. It cannot be reinstated.

6. **YOUR STATEMENT:** We will send You a statement or transmit an electronic statement to You showing Your account with Us. However, no statement will be sent when Your account with Us is zero. If You die, We will send this information to Your spouse or Your estate. You agree that each statement will be binding on You, Your spouse and Your estate unless You, Your spouse or Your estate tells Us, within 45 days after the statement is transmitted, that the statement is wrong.

7. **ASSIGNMENT:** You cannot assign this Agreement or any amount We owe You without getting Our written consent first. If You do, the assignment shall not be valid. If We consent to an assignment by You of the commissions due under this Agreement, the assignment shall be subject to any amount You owe Us at the time of the assignment. The assignment shall also be subject to any amount You may owe Us in the future. If We consent to an assignment by You of this Agreement, You shall remain liable for the performance of the terms of this Agreement by the person or business entity who receives the commission assignment from You.

8. **LIMITED AUTHORITY:** You will not accept any risks, change any policies, make any contracts for Us or obligate Us in any way unless You secure Our written consent first. You will not change any premium rates or extend the time for paying premiums. You will not accept applications for any policies without collecting the entire premium due at the time of sale.

9. **LICENSES:** This Agreement will end for Medico[®] if it does not continue to be licensed in the state covered by this Agreement. If You give up or lose Your license, this Agreement will end. If You are not licensed to sell both health and life insurance, this Agreement will apply only to that line of insurance for which You are licensed. If You later become licensed to sell either health or life insurance, this Agreement shall also apply to such additional line of insurance.

10. **ADVERTISING:** You will not use any advertising or any material not furnished by Us without getting Our written consent first. All representations or references to Medico[®] Insurance Company, its products or producers, in any advertisement or marketing material shall be submitted to Us prior to its use or distribution and shall not be utilized until You receive written approval from Us. Advertising includes any material which is designed to create public interest in Medico[®] Insurance Company, its products or producers. This includes, but is not limited to, consumer material designed to induce the public to purchase, increase, modify, retain, renew or reinstate a policy or certificate as well as producer recruiting and training materials. Examples of advertising include, but are not limited to, printed and published material, business cards, audiovisual material, direct mail material, Internet sites, newspaper and magazine ads, radio and television scripts, billboards and similar displays, flyers and ad slicks, leaflets and booklets, brochures, newsletters, form letters, prospect letters, telephone scripts, lead-generating devices of all kinds, depictions and illustrations, prepared sales talks, presentations and producer training materials.

11. **COMMUNICATION AND TRANSPORTATION EXPENSES:** If We phone You or send anything to You, We pay the cost. If You phone Us or send anything to Us, You pay the cost.

12. **DECLINATIONS:** We shall have the right to decline an application without giving any reasons for doing so.

13. **FEDERAL, STATE AND LOCAL LAWS:** You agree to obey all federal, state and local laws and regulations.

14. **PROHIBITED ACTIONS:** You agree that You will not rebate in any form. You agree that You will not make any representations to any of Our policyholders to get them to terminate their insurance.

15. **RESERVATION OF RIGHTS:** We shall not be liable to You for exercising any of the rights given to Us in Our policies. Examples of these rights are the right to cancel or nonrenew the policy or to change the premium rates. We shall not be liable to You for withdrawing or substituting policy forms, nor for Our withdrawing entirely from any state. Further, We specifically reserve the right without limitation and without liability to You to change or discontinue any marketing concept or underwriting program in any state, change any policy premium rate, change the conditions or terms under which a policy may be offered, or reject any application or return any premium.

16. **VESTMENT:** Commissions provided for in this Agreement shall be paid for as long as the policy remains in force, subject to provisions of this Agreement providing otherwise in Paragraphs 17 and 18, herein. This provision shall survive the termination of this Agreement.

17. **TERMINATION:** You or We may terminate, without cause, this Agreement by giving at least 30 days notice to the other parties. You or either of Us may terminate this Agreement immediately for good cause by giving notice to the other party. Notice shall be given pursuant to the Notice provision of Paragraph 24, herein. Good cause shall mean:

- A. Fraud or any breach of the terms of this Agreement.
- B. Failure to pay any money required by this Agreement to be paid.
- C. Violation of any federal, state or local laws or regulations.
- D. Any act or omission by You which could affect the right of Medico® to do business in the state covered by this Agreement.
- E. Inducing or attempting to induce policyholders to relinquish or replace Our policies with such frequency as to indicate a pattern of inappropriate activity.
- F. Repeatedly failing to comply with material terms of this Agreement and/or Our stated rules and regulations concerning recruiting and production requirements for You or those under Your hierarchy.
- G. Cause or attempt to cause employees or agents of Ours to discontinue their association with Us.
- H. Misappropriation or commingling of Our funds.
- I. Misrepresentation or omission of any material information on an application for a policy.
- J. Misrepresentation of any of Our policies or services.

This provision shall survive the termination of this Agreement.

18. **FORFEITURE AND REMEDY:** You agree that after this Agreement ends, You will have no interest in any business written for Us, except as specifically provided in this Agreement. You agree that if You attempt to influence any of Our policyholders with whom You or Your Solicitors or Distributors have done business, or Our Solicitors, Distributors or employees, to terminate their contract or employment with Medico®, or this Agreement is terminated for good cause as defined in Paragraph 17, herein, You will lose all future commissions from Us. You also agree that We may secure a court order stopping You from using such influence since We do not have an adequate legal remedy. This provision shall survive the termination of this Agreement.

19. **MINIMUM AMOUNT OF COMMISSIONS:** After this Agreement terminates We will not pay commissions after any calendar year in which the total commission owed or paid to You is less than \$500.00. If compensation due to You falls below the minimum required, such amount shall roll up to and be payable to the next level above You in the Distributor hierarchy.

20. **WAIVER:** The fact that We may not enforce the terms of this Agreement does not mean that We waive them or that We will not enforce them at a future time.

21. **RELATIONSHIP:** Nothing in this Agreement shall create a relationship of employee and employer, or a partnership, between You and Us. You are free to exercise Your own judgment as to the persons You solicit and where and when You solicit them. However, We may give instructions, which do not interfere with this freedom, regarding the conduct of Your business for Us and You will obey these rules.

22. **DISTRIBUTOR OR SOLICITOR TRANSFER:** The Company will permit a transfer of a Distributor or Solicitor to another organization pursuant to Our established policies and procedures.

23. **PRIVACY ACT NOTICE:** You herein acknowledge You have received a copy of the Privacy Notice of the Company. You acknowledge and agree You are acting as a third party services provider to the Company as contemplated in Section 503 of the Gramm-Leach-Bliley Privacy Act and are therefore bound by the stated policy of the Company regarding the release of nonpublic information derived by or for the Company in the normal course and conduct of business.

24. **NOTICES:** Any notice required by, or provided for, in this Agreement shall be considered given when it is mailed, postage prepaid, by certified or electronically confirmed mail, return receipt or electronic confirmation requested, and addressed to the party or parties at their last known address.

25. This Agreement shall be governed by and construed in accordance with the laws of the State of Nebraska. Any legal action necessary under this Agreement shall be brought in the District Court of Douglas County, Nebraska.

26. It is understood and agreed that no policy will be solicited or written until Distributor receives written notice that the plan is approved in the state in which solicitation is to be made.

27. This Agreement supersedes and replaces any previous agreements between You and Us.

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